

Clime International Fund

Product Disclosure Statement

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Clime Asset Management Pty Limited (**Clime**) is the appointed investment manager of the Clime International Fund (the **Fund**).

Clime has appointed Sanlam Private Investments (UK) Ltd (**Sanlam Private Investments**) as the Fund's sub investment manager.

OneVue RE Services Limited (**OneVue, we or us**) is the responsible entity of the Fund and the issuer of this product disclosure statement (the **PDS**).

The Fund seeks attractive returns, over the long term, through investing in a portfolio of International (Australian and offshore) listed securities.

The Fund's goal is to select high quality individual investments that allow the creation of a best ideas global portfolio.

This PDS is a summary of significant information and contains one reference, marked with an asterisk (*), to important additional information contained in the Information Booklet which forms part of this PDS, available at www.clime.com.au/services/clime-managed-funds/clime-international-fund/ or free from us on request.

You should read all of that information before making any decision about the Fund. The information contained in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

The information in this PDS is subject to change from time to time. If a change is not of such a nature that you would be materially adversely affected by not receiving it, the PDS may be updated by notice at www.clime.com.au/services/clime-managed-funds/clime-international-fund/ and you can request a paper copy free of charge from us or your adviser. Otherwise, we will replace this PDS.

You may request a free printed copy of this PDS and any other document or policy mentioned in or incorporated into the PDS by calling Clime on 1300 788 568 or OneVue on +61 2 8252 2200 during business hours.

OneVue Holdings Limited (ASX: OVH), an ASX listed company. For more information about OneVue, visit www.onevue.com.au.

About the Fund's management

The investment manager

Clime is a wholly owned subsidiary of Clime Investment Management Limited, a company listed on the Australian Securities Exchange (ASX: CIW). Clime is an Australian fund manager specialising in absolute return focussed value investing.

Clime is dedicated to providing excellent service to its clients, and this is reflected in its corporate values of integrity, transparency and conviction.

It is Clime's goal to provide access for all investors to strategies and products intended to create long-term wealth.

The sub-investment manager

Clime has appointed Sanlam Private Investments as the Fund's sub-investment manager.

Sanlam Private Investment (UK) Holdings Ltd is the holding company of Sanlam Private Investments (UK) Ltd and Sanlam Private Investments Wealth Management (UK) Ltd, which is ultimately owned by Sanlam Limited.

Sanlam was established in 1918, and has headquarters in Cape Town, South Africa. The Sanlam group has more than 13,000 employees, half a million shareholders and has provided advice to investors around the world for almost 100 years.

2. How the Fund works

A managed fund

The Fund is a unit trust registered by the Australian Securities and Investments Commission (**ASIC**) under the Corporations Act. When you invest your money in the Fund, it is pooled together with other investors' money. This larger pool of money is used to buy investments on behalf of all Fund investors.

An investor's interest in the Fund is represented by a number of units, each class of which has identical rights (such as a right to any distributions, certain fees and to vote) and a value which will vary as the market value of assets in the Fund rises and falls. As a unit holder, each investor also has certain obligations to us. Investors have no direct interest in the assets of the Fund.

You can increase your investment by applying and paying for more units, and the number of units issued depends on the amount you invest and the unit price at the relevant time. You can decrease your investment by withdrawing (or redeeming), and the number of units redeemed depends on the amount you withdraw and the unit price at the relevant time.

Investing

Simply complete a current Application Form and post it to our Administrator:

Clime International Fund
GPO Box 4968
Sydney NSW 2001

The minimum initial investment for wholesale units is \$200,000 and for retail units is \$10,000.

Additional investments work the same way and the minimum additional investment for wholesale units is \$10,000 and for retail units is \$1,000.

We accept cheques, direct debit and direct deposit, but not cash.

Cheques, payable in Australian Dollars, should be crossed "Not negotiable" and made out to:

Clime International Fund - Application Trust A/C

1. About the Responsible Entity

The responsible entity

OneVue is the responsible entity for the Fund, responsible for its operation in accordance with the Fund's constitution, the Corporations Act and trust law. Founded in December 2002, OneVue is a professional responsible entity, a wholly owned subsidiary of

Direct deposits can be made directly into the following account. Please use your investor name or number as the reference when making your transfer:

Bank: National Australia Bank
Branch: 500 Bourke Street, Melbourne VIC 3000 Australia
BSB: 082 057
A/c no: 397 347 415
A/c name: Clime International Fund – Application Trust A/C
Reference: [applicant(s) name]
SWIFT: NATAAU3303M

SWIFT is only relevant for international fund transfers.

To arrange a direct debit, complete the Direct Debit Request form and return it with your application.

Investing more

Simply contact our Administrator in writing – don't forget your investor name and number – or you can complete another Application Form.

You can add as much as you wish to your account, but the minimum additional investment is \$10,000 for wholesale units and for retail units is \$1,000. Direct deposit, direct debit and cheque are both available, as noted above.

Post it, scan and email it or fax it to:

Clime International Fund
GPO Box 4968
Sydney NSW 2001
Email: registry@fundbpo.com
Fax: +61 2 9251 3525

Further investments are made on the basis of the PDS current at the time of further investment.

You can borrow to invest, but please ensure you seek professional advice first.

Processing

Applications received before 12pm on a Wednesday (assuming it is a Sydney business day) normally receive that day's unit price, assuming we have everything we need. Once lodged, applications cannot generally be withdrawn. Any interest on lodged application moneys is credited to the Fund. Applications are almost always accepted, however we may refuse any application and do not need to give a reason. You will receive confirmation of your investment.

Withdrawing

You generally have access to your investment as detailed here. In some circumstances, such as when there is a delay on withdrawals, investors may not be able to withdraw their funds within the usual period upon request – see below for details.

To withdraw, use the Request for Withdrawal Form available from Clime's website or simply contact our Administrator on 1300 133 451 – don't forget your investor name and number.

Post it, scan and email it or fax it to our Administrator:

Clime International Fund
GPO Box 4968
Sydney NSW 2001
Email: registry@fundbpo.com
Fax: +61 2 9251 3525

Telephone withdrawal requests aren't accepted.

The minimum withdrawal is \$10,000 for wholesale units and \$1,000 for retail units, but usually we require a minimum balance of \$200,000 for wholesale unitholders and \$10,000 for retail unitholders.

Withdrawals are paid to your nominated account, normally within 5 Sydney business days of processing of the weekly unit price and assuming we have everything we need. Deductions are made for any money you owe relating to your investment.

We do not pay cash or by cheque.

Withdrawal forms which are complete and received before 12pm on a Wednesday (assuming it is a Sydney business day) generally receive the unit price calculated that day.

Once lodged, withdrawal forms cannot generally be withdrawn. Maximum withdrawal periods that may apply are contained in the Fund's constitution, available free from us.

The price of units

Weekly unit prices can be found at Clime's website www.clime.com.au/services/clime-managed-funds/clime-international-fund/

Unit prices are based on the net asset value of the Fund and will vary as the market value of the assets of the Fund rises and falls. The unit prices for issuing and withdrawing are slightly different: this difference is called the "spread" and Section 6 of this PDS gives more detail.

The unit price of the Fund is determined at least each week, generally each Wednesday, based on the information most recently available. Unit prices are calculated in 3 steps:

- the value of the assets of the Fund is calculated, and value of the liabilities subtracted – this gives the "net asset value",
- this is divided by the number of units on issue, and
- an adjustment is generally made for transaction costs (or spread) - see Section 6 of this PDS.

We have a policy which sets out the guidelines and relevant factors and discretions for calculating unit prices. A copy (and records of any departures from the policy) is available from us on request.

Remember that quoted unit prices will be historical and not necessarily the price you will receive when applying or withdrawing.

Delays

Access to your money can be delayed in limited circumstances.

Those circumstances include where the Fund becomes illiquid. The law dictates this, and if this happens, at our discretion some money can be made available for withdrawals, to be allocated on a pro rata basis among those wanting to withdraw.

We can also delay access to your money if we consider it in the best interests of investors and otherwise consistent with our duties, including where:

- there is a circumstance outside our reasonable control which we consider impacts on our ability to properly, accurately or fairly calculate a unit price or
- we have received redemption requests in relation to a particular valuation time, and the total redemption moneys which would be payable in respect of this time (the relevant time) represent more than 20% of the Value of the Net Assets of the Fund, and in this case we can redeem the units at such future time, or at times over such period, as we determine.

Unit prices are generally calculated at the time the delay ends.

Compulsory redemptions

We can redeem your investment without asking in limited circumstances, including to recover money you owe us, or if in withdrawing you fall below any minimum account balance from time to time.

Distributions

We aim to pay distributions annually at 30 June. Your distribution will be reinvested unless you have chosen on the application form to have distributions paid to you in which case they will be paid to your nominated Australian financial institution account.

Depending on your personal circumstances you may need to make a cash payment to the Australian Taxation Office (ATO) for tax on your distribution, even if your distribution is reinvested. Unit prices may fall after the end of financial year, reflecting the fact that distributions may have been paid and there is less money in the Fund.

3. Benefits of investing in the Fund

SIGNIFICANT FEATURES	
Investment strategy	The Fund is an absolute return fund which seeks attractive capital growth over the long term from a portfolio of International (Australian and offshore) listed securities, with a view to capital preservation.
Investment objective	The Fund aims to achieve a 10% annualised A\$ total return basis after all fees and usual expenses measured over a rolling 5 year period.
Benchmark	10% pa after all fees and usual expenses.
Investments	The Fund's goal is to select high quality individual investments that allow the creation of a best ideas global portfolio.
Regular income	Aims to distribute income annually after the end of each financial year.
Suitability	Those investors with a medium to high risk tolerance.
Investment timeframe	Suggested minimum 5 years.
Minimum initial investment	\$200,000 for wholesale units. \$10,000 for retail units.
Minimum additional investment	\$10,000 for wholesale units. \$1,000 for retail units.
Minimum balance	\$200,000 for wholesale unitholders. \$10,000 for retail unitholders.
Management fees	1.54% pa for wholesale units. 1.69% pa for retail units. See Section 6 for details.
Performance fee	20% of any amount by which the Fund outperforms the rate of 10% pa. See Section 6 for details.
Distributions	Annually, and unless you choose otherwise, distributions are automatically reinvested.
Applications and withdrawals	Weekly each Wednesday and the last business day of the month.

4. Risks of managed investment schemes

Risk generally All investments carry risk. Different strategies may carry different levels of risk depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Neither returns nor the money you invest in the Fund is guaranteed and investors may lose as well as make money.

The significant risks of the Fund include the following.

Investment risk This is the risk that the value of an individual investment in the Fund may change in value or become more volatile, potentially causing a reduction in the value of the Fund and increasing its volatility. Reasons can be many, and include changes in an investment's operations, management or business environment, or what people think of the investment. It can lead to default/failure of an entity to which the Fund has an investment exposure.

Market risk This is the risk that an entire market, country or economy changes in value or becomes more volatile, including the risk that the purchasing power of the currency changes (either through inflation or deflation), potentially causing a reduction in the value of the Fund and increasing its volatility. Reasons can be many, and include changes in

economic, financial, technological, political or legal conditions, natural and man-made disasters, conflicts and changes in market sentiment.

Exchange rate risk This is the risk that changes in exchange rates relative to the Australian dollar can have a negative impact on investment value or returns. There are no specific limits set in respect of currency risk and exposure. The Fund's cash holdings may be denominated in currencies other than the Australian dollar. It would be usual that currency exposure of the Fund was not hedged, which means it is exposed to changes in exchange rates. Reasons for exchange rate changes are many and include changes in economic activity and Central Bank policies.

The Fund may implement some hedging from time to time. Using financial instruments to reduce risk is not always successful, is not always used to offset all relevant risk, and is sometimes not cost effective or practical to use.

Emerging economy risk The Fund may be exposed to some emerging and developing economies. These markets are generally less sophisticated with poorer reporting, governance and regulatory frameworks, and greater political, legal and other risks.

Portfolio risk The Fund could be relatively concentrated: there are no minimum or maximum number of securities.

The Fund could be relatively concentrated: there are no geographical or market sector limits or targets.

The Fund could be relatively un-invested: at times, the levels of cash or cash equivalents may be high (up to 100%) where investment opportunities which are considered attractive are not apparent.

Interest rate risk This is the risk that changes in interest rates can have a negative impact on investment value or returns. Reasons for interest rates changes are many and include changes in inflation, economic activity and Central Bank policies.

Borrowing risk Although the Fund does not intend to borrow, the Fund does have an ability to borrow in the short-term to manage withdrawals and distributions or short term portfolio obligations. Risk associated with borrowing includes that it magnifies both good and bad returns.

Valuation risk The quoted value of the Fund's investments may not accurately reflect the value of those investments if they are sold. The Fund seeks to reduce this risk by seeking that all the assets of the Fund are valued independently on a daily basis and wherever possible using market prices.

Liquidity risk This is the risk that your withdrawal requests cannot be met when you expect. Because cash is paid to your account when you withdraw, investments of the Fund may need to be sold to pay you. Depending on factors such as the state of the markets (for example through a lack of buyers or trading suspensions), selling investments is not always possible, practicable or consistent with the best interests of investors. This is one of the reasons why the constitution for the Fund specifies limited circumstances where there could be a delay in meeting your withdrawal request. The law sometimes restricts withdrawals.

The Fund is not listed on any stock exchange, so selling your units through a stockbroker is not possible and, although you may sell your units, you may not find a buyer or a buyer at the price you want.

Structure risk This is the risk associated with having someone invest for you.

Risks associated with investing in the Fund include that it could be terminated, there can be changes in the responsible entity, the investment manager or the sub-investment manager (for example if key individuals were no longer involved in managing the Fund), someone involved with your investment (even remotely) does not meet their obligations or perform as expected, assets may be lost, not recorded properly or misappropriated, laws may adversely change, insurers may not pay when expected or insurance may be inadequate.

Investment decisions, although taken carefully, are not always successful. Investing in the Fund may give inferior results compared to investing directly (where for example you avoid the impact of others coming and going and may be able to manage your tax situation better).

Information risk We are committed to ensuring that your information is kept secure and protected from misuse and loss and from unauthorized access, modification and disclosure. We use the internet in operating the Fund, including that records may be stored in the cloud. If stored overseas, different privacy and other standards may apply there. Our Privacy Policy is discussed below.

The internet does not however always result in a secure information environment and although we take steps we consider reasonable to protect your information, we cannot absolutely guarantee its security.

Managing risk As risk cannot be entirely avoided when investing, the Fund aims to identify and manage risk as far as is practicable.

Whenever investments are made, the potential for returns in light of the likely risks involved are carefully assessed.

Risk is considered at every stage and level of the investment process. As far as is practicable, risk is managed at both the individual investment and the Fund level.

However, many risks are difficult or impracticable to manage effectively and some risks are beyond our and the Investment Manager's control altogether.

Risk generally The significant risks of investing in managed investment schemes generally include the risks that:

- the value of investments will vary,
- the level of returns will vary, and future returns will differ from past returns,
- neither returns nor the money you invest in the Fund is guaranteed and investors may lose as well as make money, and
- laws change.

The level of risk for you particularly will vary depending on a range of other factors, including age, investment time frame, how other parts of your wealth are invested, and your risk tolerance. If you are unsure whether this investment is suitable for you, we recommend you consult a financial adviser. If you have questions about the Fund, feel free to contact Clime.

Further information about the risks of investing in managed investment schemes can be found on ASIC's MoneySmart website at www.moneysmart.gov.au.

5. How we invest your money

Warning: you should consider the likely investment return, risk and your investment timeframe when choosing to invest in the Fund.

Investment strategy

The Fund is an absolute return fund which seeks attractive capital growth over the long term from a portfolio of International (Australian and offshore) listed securities, with a view to capital preservation.

The goal for the Fund is to select high quality individual investments that allow the creation of a best ideas global portfolio.

Investment objective

The Fund will aim to achieve a 10% annualised A\$ total return from the portfolio after all fees and usual expenses, measured over a rolling 5 year period.

This investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve. The Fund may not achieve its investment objective. Neither returns nor the money you invest in the Fund is guaranteed and investors may lose as well as make money. Past returns are not a reliable indicator of future performance.

Investment timeframe

The suggested minimum investment timeframe is 5 years.

What the Fund invests in

The Fund invests in a portfolio of International (Australian and offshore) listed securities.

The Fund invests directly: investments commonly would comprise ordinary shares, preference shares and hybrid medium term notes.

The Fund may comprise cash, and at times, the levels of cash or cash equivalents may be high where investment opportunities which the Investment Manager consider attractive are not apparent.

Portfolio constraints

The following additional constraints apply to the Fund:

- no single holding in any security may constitute more than 6% of the Fund at any one time,
- the Fund would usually hold a maximum of 35 different securities at any time, and
- the Fund may not hold more than 5% of the total shares outstanding of any single security at any time.

These will be applied by the Investment Manager flexibly whilst the Fund grows. Deviations from these will be corrected as soon as the Investment Manager considers appropriate.

Sanlam Private Investments' style

Sanlam Private Investments, the Fund's sub-investment manager, believes investment markets continually offer opportunities for it to exploit for its clients. Markets are inefficient, driven by human emotion as well as logic. Sanlam Private Investments believes that in the end, logic wins. However, in the periods where emotion rules, assets can become incorrectly priced. This provides the opportunity to invest.

Sanlam Private Investments is an active investment manager and monitors markets constantly. As a general rule, portfolio rebalancing is considered at least monthly. They invest with conviction, backed up by rigorous and disciplined research and a sensible approach to risk control. In this way they seek to add real value to their clients in a world of low returns punctuated by periods of volatility.

Investment character

Through rigorous fundamental analysis Sanlam Private Investments seeks to identify high quality securities issued by businesses which contain many if not all of the following characteristics:

- a strong balance sheet enabling the business to service debt comfortably,
- a high cash return on equity,
- relatively low capital requirements allowing a business to generate cash while growing,
- high market share in their principal product and/or service lines, and
- short customer repurchase cycles and long product cycles.

Investment selection will be of securities of businesses with management teams that typically act with the following behaviours:

- they undertake rational and justifiable corporate management,
- they maintain high returns on capital whilst generating excess cash after all reinvestment needs into the business, and
- they make synergistic acquisitions to ensure above average long-term growth.

Cash, borrowing and derivatives

At times, the Fund may hold high levels of cash or cash equivalents where investment opportunities which the Investment Manager consider attractive are not apparent.

The Fund does not intend to borrow, but may do so for the short term, generally to meet redemptions, distributions, or short-term portfolio obligations, and then only if the borrowing is considered to be prudent and in the best interests of all investors. The Fund does not use and is generally not exposed to derivatives.

No labour standards or environmental, social or ethical considerations are taken into account in the selection, retention or realisation of investments relating to the Fund.

Currency

There are no specific limits set in respect of the Fund's currency risk and exposure. The Fund's cash holdings may be denominated in currencies other than the Australian dollar.

It would be usual that currency exposure of the Fund was not hedged, however the Investment Manager may implement some hedging from time to time.

6. Fees and Costs*

You should read the important information about fees and costs in the Information Booklet before making a decision. Go to the corresponding heading of the Information Booklet, available at www.clime.com.au/services/clime-managed-funds/clime-international-fund/ or free from us on request. The material relating to these matters may change between the time when you read this PDS and the day when you sign the application form.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on long term returns.

For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask us or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

The information in the following table can be used to compare fees and costs between different simple managed investment schemes. These fees and other costs may be deducted from your account balance, from the returns on your investment, or from the Fund's assets as a whole.

TYPE OF FEE OR COST	AMOUNT
Fees when your money moves in or out of the Fund:	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Termination fee	Nil
Management costs – the fees and costs for managing your investment	
Investment Management Fee	1.54% pa Wholesale.
all usual Fund expenses are paid from this	1.69% pa Retail. These fees are inclusive of GST calculated and accrued weekly and are paid monthly in arrears out of the Fund's assets.
Expenses	0.21% pa. These fees are inclusive of GST calculated and accrued weekly and are paid monthly in arrears out of the Fund's assets.
Performance Fee	If earned, this is 20% of any amount by which the Fund outperforms the rate of 10% pa (details are below). This fee is not always payable. The Fund must exceed the 10% pa benchmark. This fee is calculated, and as relevant is accrued weekly, and is payable at the end of each financial year.

Additional explanation of fees and costs

Warning: Fees may also be paid to your financial adviser. Ask your adviser or broker, and refer to any Statement of Advice they may provide you.

Investment Management Fee

Investment Management Fee is paid to Clime as manager of the Fund.

Expenses

The Fund’s constitution allows for all expenses in relation to the proper performance of its duties in respect of the trust to be paid by OneVue and be recovered from the Fund.

However usual expenses are generally capped at 0.21% pa, in this case being a percentage of the gross asset value of the Fund. Clime has agreed to pay any usual expenses above this. If they do not, we may take them from the Fund.

Unusual expenses — such as investor meetings, Fund termination costs or expenses arising from any dispute management — may be additionally deducted from the assets.

Expenses are accrued each week and paid monthly in arrears at the level mentioned above and reflected in the unit price, and from time to time are adjusted if actual expenses are lower, and a credit is paid back to the Fund at that time.

Performance Fee

A Performance Fee is also payable when Fund returns are above a benchmark.

The benchmark is a Fund return of 10% pa, after all fees and usual expenses, but before any Performance Fee (the **Benchmark**).

If the Fund is successfully managed so as to outperform the Benchmark, Clime is entitled to a Performance Fee. Any Performance Fee entitlement is calculated and accrued weekly, and if payable, is paid shortly after the end of each financial year.

Adjustments to Performance Fee calculations are made to take account of applications, withdrawals and distributions.

The Benchmark is not intended to be a forecast. It is only an indication of what Clime aims to achieve to earn its Performance Fee. The Fund may not perform. Returns are not guaranteed.

Buy-sell spread

You pay for transaction costs associated with the buying and selling of the Fund’s investments through the Buy and Sell Spreads. Money is not actually deducted from your investment or withdrawal amount. Instead, the entry price is made 0.25% higher and the exit price is made 0.25% lower. For example, if you invested \$10,000 in the Fund then a buy spread \$25 would apply. Buy Spreads do not apply to reinvested distributions.

Other fees and costs

Government fees, duties and bank charges may also apply to investments and withdrawals and these would be paid by the Fund or you.

Changes

We may change the fees and costs without your consent. You will receive at least 30 days’ notice of any increase. In any case, you cannot be charged more than the constitution for the Fund allows. Such a change to the constitution requires approval of investors.

Commissions and other payments

We do not pay commissions to financial planners in respect of investments in the Fund.

Subject to the law, fees charged in relation to the Fund may be paid to others.

Investing on the best terms

Clime aims to invest on the best terms possible. If the Fund invests on an institutional basis, Clime aims to secure fee reductions. Often paid

by a rebate, these amounts are paid into the Fund for the benefit of all investors.

We look after our employees

We can choose not to charge members of our and Clime group staff, and those people associated with them, Investment Management Fees on their investments, as permitted by ASIC policy.

Large investments

Very large investors are important to any investment management business. Large amounts provide buying power, for example, from which all investors benefit. We can choose not to charge large investors some or all fees on their investments, or may pay them some of our own fees. We can also do this by way of issuing different classes of units. We are not permitted to enter into individual fee arrangements with investors who are not wholesale clients as the Corporations Act defines this.

Example of annual fees and costs

The following table is an example of how the fees and costs for the Fund can affect your investment over a one year period. You should use this table to compare the Fund with other managed investment products.

The following example is for an investor who holds **retail units**, where no Performance Fee is payable.

EXAMPLE		Balance of \$10,000 including a contribution of \$5,000 at the beginning of the year
Management costs ie management fees + expenses	1.90% pa	And, for every \$10,000 you have in the Fund you will be charged \$190 each year.
EQUALS Cost of the Fund		If you put in \$5,000 at the beginning of the year and your balance was \$10,000, then you would be charged fees and expenses of \$190. What it costs you may depend on the fees you negotiate with your financial adviser.

Retail fees will be higher if a performance fee is earned by Clime. They can be lower if expenses are less than the level of the expenses cap.

Wholesale management fees are lower: in this example, instead of \$190 pa being payable, only \$175 pa is payable.

7. How managed investment schemes are taxed

Warning: Investing in a managed investment scheme is likely to have tax consequences.

You may need to pay tax in relation to your investment in the Fund, generally income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions. Your tax liability depends on your circumstances and it is recommended that you seek professional advice before you invest or deal with your investment.

We will send you information each year to help you complete your tax return.

You may have a tax liability when you receive distributions from the Fund. The amount depends on what makes up the distributions, and on your personal financial circumstances. Distributions could comprise:

- income (for example, dividends and interest),
- net capital gains (from the sale of Fund investments),

- tax credits
(for example, franking credits attached to dividend income and credits for tax paid on foreign income), and
- tax deferred income.

You may have a tax liability when you withdraw from the Fund. Australian residents are generally subject to capital gains tax on gains when they withdraw any money for themselves or to invest in another fund or transfer units to someone. Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

Certain US legislation targets US tax residents who do not correctly disclose their worldwide income to the US Internal Revenue Service (IRS). We are required to comply with certain requirements including the provision of information to the IRS. Those who fall within the regime may be subject to a 30% withholding tax on part or all of the payments they receive from US sources.

You do not have to tell us your TFN or ABN, but most people do. If you choose not to and you do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before paying any distribution to you.

8. How to apply

Three steps

1. Read this PDS
2. Complete the **Application Form** and send it to the Administrator:
Clime International Fund
GPO Box 4968
Sydney NSW 2001
3. Once the Administrator has received your application, any required identification material and your payment, you will be sent confirmation of your investment, generally within 7 Sydney business days of your application being processed.

You can download forms from Clime's website or contact the Administrator on 1300 133 451.

Cooling off

Once lodged, applications cannot generally be withdrawn. However the law provides you can change your mind: you have 14 days, starting on the earlier of when your confirmation that you are invested is sent, or the end of the 5th day after the day on which your units are issued. Speak to the Administrator. In this case, your money will be repaid, although adjustments are made for market movements up or down, as well as any tax and reasonable transaction and administration costs.

(for example, if you invest \$10,000 and the value of the units falls by 1% between the time you invest and the time your request to withdraw your investment is actioned, you could be charged \$100 on account of the reduced unit value plus costs).

Complaints

If you wish to lodge a complaint please contact us. We will attempt to resolve your concerns within 45 days. If you remain unhappy we will always tell you other steps you can take. One of these is to take your complaint to:

The Financial Ombudsman Service
GPO Box 3
Melbourne, Victoria, 3001
T: 1300 78 08 08 | E: info@fos.org.au.

FOS is independent of OneVue and Clime.

FOS has some rules which may change from time to time, including that the claim involved must generally be under \$500,000.

Current details can be obtained from www.fos.org.au.

9. Additional Information

Keeping you informed

We send to you an initial confirmation statement, transaction statements, together with an annual holding statement, annual distribution statement and taxation statement.

Monthly investment reports and other information on your investment such as unit prices are available at Clime's website. Each September, the Fund's accounts will be available at Clime's website (we will also email or mail them to you if you wish).

Copies of documents we may lodge with ASIC (such as any half-year and annual financial reports) may be obtained from or inspected at an ASIC office. We will send you copies of any document which we lodge, if you request.

We will make information required to be disclosed under continuous disclosure obligations available at www.clime.com.au/services/clime-managed-funds/clime-international-fund/ and you can request a paper copy free of charge from us anytime.

Information that is not materially adverse information is subject to change from time to time. Where this occurs, a website notice will be created at Clime's and our website. A paper copy of any updated information will be given to any person without charge on request.

Information about you

It's important to keep your details with us up to date – please contact us to correct them if required. You must provide in a timely way all information regarding you and your investment which law requires, for example, regarding your identity or the source or use of invested moneys.

Your rights and other important issues

Our legal relationship with direct investors is governed by the Fund's constitution together with this PDS and certain financial services laws. Some provisions are discussed elsewhere in this PDS and others include:

- the nature of units of the Fund
(all units of each class are identical),
- our powers
(and how and when we can exercise them),
- when the Fund terminates
(we can terminate the Fund at any time and the relevant investors share the net proceeds on a pro-rata basis),
- when we can retire and what happens if we do
(usually another responsible entity will be appointed), and
- changing the constitution
(we need investors' approval for any changes which are adverse to rights).

The investments of the Fund can be combined with other assets but never our own assets. We will send you a copy of the constitution free of charge if you ask.

Transferring your units

Direct investors wishing to transfer your units (including recording change of trustees) should contact us. You may need to pay stamp duty.

Holding assets

J.P. Morgan Chase is appointed as custodian of the Fund's assets. Custodians and their sub-custodians may change from time to time. No custodian or sub-custodian is responsible for the operation or management of the Fund, and none of them have caused the issue of this PDS. OneVue has a custody agreement with J.P. Morgan Chase which has certain limits on the liability of J.P. Morgan Chase.

Privacy

We respect what you tell us. We use personal information about you principally to administer your investment, comply with laws and also to conduct research. Clime may also use it to send promotional material to you. If you do not want this, say so using the Application Form or just contact us. We will not share any information that we have about you unless:

- our policy allows,
- you otherwise agree,
- in circumstances where the Australian Privacy Principles authorise the use or disclosure (for example, the law requires, or a regulator or exchange requests),
- we consider that someone needs the information (typically because they are a regulator or exchange, or your adviser or they assist us), or
- to administer your investment.

If you do not provide us with your contact details and other personal information asked for, we may not be able to have or keep you as an investor. You may access the personal information about you that we hold. If details we hold about you are incorrect, they will generally be corrected, always free of charge, if you contact us. We will have no information about you if you are investing through an administration platform. A copy of our Privacy Policy is available on our website.

Meetings and changes of the responsible entity

Investor meetings are uncommon. Direct investors can generally attend and vote and meetings are largely regulated by the Corporations Act. The quorum is generally at least 2 direct investors present in person or by proxy together holding at least 10% of all units in the relevant class, although these are higher for any proposal to remove the responsible entity or require its retirement.

Changes of responsible entity are also uncommon. They too are largely regulated by the Corporations Act. Direct investors can requisition a meeting. The quorum for a meeting where there is any proposal to remove the responsible entity is at least 2 investors present in person or by proxy together holding at least 10% of all units in the Fund.

Terminating the Fund

We can decide to terminate the Fund anytime, and if we do, we will generally sell all the investments, pay all monies owing (including fees and expenses) and distribute the net proceeds to direct investors as soon as we consider practicable. It can take some time to finalise this process.

Limits on our responsibility

The Fund's constitution has some limits on when we are liable to direct investors for example, when we rely on experts and on documents which we have no reason to doubt are authentic, accurate or genuine. Subject always to any liability which the Corporations Act might impose on us, if we act in good faith and without gross negligence, we are not liable to direct investors for any loss suffered in any way relating to an investment in the Fund.

The Fund's constitution also contains a provision that the relevant constitution is the source of our relationship with direct investors and not any other laws, except those laws we cannot exclude.

Limits on your responsibility

We have included provisions in the constitution designed to protect direct investors. The constitution limits each investor's liability to the value of their investment in the Fund and provides that they will not, by reason of being an investor alone, be personally liable to indemnify the responsible entity and/or any creditor in the event that the liabilities of the Fund exceed the assets of the Fund. However an absolute assurance about these things cannot be given – the issue has not been finally determined by Australian courts.

Legal

Clime has given and not withdrawn its consent to be named in this PDS and to inclusion of the statements describing it and Sanlam entities and their roles and intentions, in the form and context in which those references appear. It makes no other statements or representations in this PDS.

ASIC takes no responsibility for the contents of this PDS.

The offer made in this PDS is available only to persons receiving this PDS in Australia (electronically or otherwise).

If you received this PDS electronically, you can request a paper copy free of charge from us during the life of this PDS.

Unless otherwise stated, all figures are in Australian dollars and include the net impact of GST.

Your promises when you invest

When you apply to invest, you (the applicant) are telling us:

- you have received, read and understood the current PDS and Information Booklet,
- monies deposited are not associated with crime, terrorism, money laundering or terrorism financing (nor will monies received from your account have any such association),
- you are not bankrupt or a minor, and
- you agree to be bound by the constitution of the Fund and the PDS (as supplemented, replaced or re-issued from time to time).

More information

Investment Manager:

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