

Australian Stock Exchange
Company Announcement Officer
by e-lodgement

14 July 2017

ACQUISITION OF CBG ASSET MANAGEMENT LIMITED

The Directors of Clime Investment Management Ltd (Clime) are pleased to announce the acquisition of 100% of CBG Asset Management Ltd (CBG), an award-winning Sydney based Australian equities boutique with \$130 million under management. CBG principal Ronni Chalmers and other senior staff will join the Clime Investment Management team.

The acquisition cost is \$3,625,000 comprising \$3,250,000 on completion and \$375,000 in 12 months based on the fulfilment of certain warranties relating to FUM retention and delivery of agreed outcomes.

Initial consideration will be the issue of 6,500,000 ordinary shares in Clime at 50 cents per share being the weighted average market price over the past 30 trading days. The balance of 750,000 Clime shares, which are subject to agreed outcomes, are to be issued on 30 June 2018.

The CBG balance sheet acquired by Clime will include \$500k in net cash and substantial franking credits.

Mr. Chalmers through his related parties will become a substantial shareholder in Clime.

Mr. Chalmers stated that he is extremely excited about the CBG clients becoming part of the larger Clime Group. *"The combined funds team will offer a deeper and broader research capability. The extended product list will be of immense interest to CBG clients".*

Clime Chairman Donald McLay noted: *"This is the second in a number of positive announcements we expect to make as the strategies outlined at last year's Annual General Meeting begin to be realised. We are very pleased to have Ronni and the team join us. They will add further experience and depth to the Clime Investment team. The acquisition is EPS accretive at an operating level before balance sheet items in a business where we understand the risks and can benefit from shared infrastructure".*

About CBG Asset Management

CBG has FUM of \$130 million across three mandates including the listed investment company (ASX code CBC). CBG has demonstrated an ability to produce consistent returns in excess its benchmark (the S&P/ASX 200 Accumulation) over various medium to long term investment cycles. For instance the CBG Australian (Wholesale) Fund has since inception in April 2002, generated a gross portfolio return of 442% against that fund's benchmark of 231%.

John Abernethy the Managing Director of Clime is pleased to welcome Ronni to the Clime team. *"I believe CBG will enhance the Clime Private Wealth offer which is being developed inside our group. The CBG product range extends our investment solutions. It will provide our clients with a choice between CBG's equity performance funds and Clime's risk adjusted lower volatility approach. By combining I believe that we have created a funds management team of both significant depth and experience"*

Following the merger of the businesses Clime gross funds under management will exceed \$700 million.

For further information

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