

ASX RELEASE

JUNE QUARTER UPDATE - CLIME INVESTMENT MANAGEMENT (“CIW”)

The Board of Clime Investment Management Limited (CIW) is pleased to update shareholders with developments in the June 2017 Quarter and the first weeks of FY18.

CIW continues to implement its strategic plan outlined to shareholders at our October 2016 AGM. The plan includes:

- Building out our range of equity fund products;
- Expanding the range of investment products and solutions across asset classes;
- Building a private wealth advisory service under the Clime brand; and
- Developing a Clime branded administration service for our SMSF clients.

CIW will implement its plans to provide a range of essential services to our direct client base from internal sources or external strategic partners.

In line with our stated plans we can report the following recent developments.

CBG ASSET MANAGEMENT LIMITED (“CBG”) MERGER

As advised on 17 July CIW acquired 100% of CBG. The transaction combines the operations of CBG with CIW’s asset management operation.

CIW is pleased to advise that Ronni Chalmers (principal of CBG), Scott Maddock and Vincent Cook have joined the Clime Funds team. Collectively they have significant funds management experience and we believe that the combined analytical team will create an even stronger funds management group.

CBG has approximately \$130 million under management with its retail fund approved on various investment platforms.

CLIME SUPER

Effective 1 July 2017, CIW established a jointly owned corporate entity with HLB Mann Judd (Wollongong) to provide SMSF administration services.

HLB Mann Judd (Wollongong) has been the administrator of Clime Super since 2013. With 4 CA SMSF Specialists and a team of experienced staff the SMSF offering is one of the highest quality in the country.

The business formally structures and operates the previous “white label” Clime Super service.

Funds under Management (FUM)

We are pleased to advise that effective 1 August that CIW has been appointed a sub manager to Sterling Asset Management to manage a range of MDA products. CIW will work with Sterling to market this product and to develop a range of SMA products on various platforms.

In early May CIW launched a small company wholesale fund to further expand the equity product range alongside its direct property and income offering.

Gross balances and agreed mandates as at the date of this report are approximately \$750 million:

FUM	20 July 2017
1. Clime Individually Managed Accounts	\$380 million
2. Clime Capital Limited /CBC Limited	\$105 million
3. Managed Funds	\$225 million
4. MDA Mandate	\$40 million

Fund Performances

A key area of focus of Clime is alignment of our investment objectives with those of our clients. This ultimately comes down to helping our clients achieve security in their retirement. We do this by focusing on three key elements

- Growing retirement savings
- Guarding them along the way, and
- Generating meaningful income

The representative Australian balanced DSP model portfolio delivered a total pretax return of around 9% for the FY17. A feature of this return was the achievement of targeted returns across each asset class of Australian growth (large, mid cap and small cap equities), income securities, international equities and direct property.

Clime Private Wealth

The response of clients and interested parties to our new Brisbane financial planning office continues to be exceptionally positive. We expect to expand this office in the next few months and open a similar one in Sydney in the current quarter.

Summary

Following the merger with CBG, Clime has a strong balance sheet with approximately \$11 million of liquid capital, no debt and approximately \$750 million of gross funds under management.

At the current share price of 57 cents per share CIW is capitalised at \$32 million or effectively \$21 million goodwill for its financial services business.

We expect to announce our FY 17 result in late August and declare a final dividend.

A handwritten signature in black ink, appearing to read 'John Abernethy'.

John Abernethy
Director

Dated 24 July, 2017

For any enquiries, please contact John Abernethy (02) 8917 2107 or by email to john@clime.com.au.