

**2017 ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS**

I am pleased to present the results of Clime Investment Management Limited and its controlled entities for the financial year ended 30 June 2017 and again share our outlook for the future. Following the demerger of Clime Private Limited in October 2016, the Group's 21.75% stake in Jasco Holdings Ltd (Jasco) that was equity accounted previously, has been excluded from the Group consolidation since that date.

Clime has progressed from its original roots as an overcapitalized investment company to a slimmed down operating business, providing investment and wealth management services to high net worth individuals.

I am glad to report to the shareholders that CIW continues to implement its strategic plan outlined to shareholders at our 2016 AGM. The plan broadly included:

- 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.

The Group recorded an after-tax profit attributable to members of \$2.56 million for the year to 30 June 2017 compared with \$1.07 million in the previous financial year. As outlined in the Board Report, the after-tax profit included a one-off tax benefit of \$1.94 million arising from the in-specie distribution to shareholders of the Company's 21.75% direct stake in Jasco in October 2016.

Investment Management fees decreased from \$7.5 million to \$7.4 million on nominally lower funds under management (FUM). The Group's Gross FUM was \$584 million as at 30 June 2017, compared with \$610 million at 30 June 2016.

Performance fees, balance sheet items and share of associate income grew from \$0.4 million to \$1.1 million despite the demerger of Clime Private Limited. A good turnaround in the share price of Clime Capital Limited was the main contributor to this outcome.

Total Equity at balance date amounted to \$15.70 million or 32.3 cents per share. This includes approximately 13.4 cents of intangible assets, being principally the capitalization of the long-term management contract with Clime Capital Limited and acquired FUM. We also have 0.7 cents of deferred tax assets. This gives Net Tangible Assets of 18.2 cents per share.

The board and senior management has spent the year focusing on implementation the strategic plan to create a full range of services, the acquisition of new clients and distribution networks. Achievements have been:

- Re-engineering investment management focus to deliver a modular range of portfolios that can be used to satisfy individual client risk profiles and liquidity needs at both retail and wholesale levels.
- Acquiring CBG Asset Management giving us rated retail products, a second Listed Investment Company, a strong Sydney wholesale client base and three experienced investment professionals.
I strongly request your support to approve Resolution 4 to ratify the issue of shares to the shareholders of CBG who are fully reinvesting the consideration into Clime Investment Management and are committed to our long term success. We welcome Mr Ronni Chalmers and his team who bring experience and style diversity to our investment process.
- Creation of Clime Super to expand our existing superannuation administration services for SMSF trustees.
- Becoming investment sub-manager for Sterling Managed Investments, as part of our strategic alliance with Futuro Group, with the purpose of delivering leading SMA and MDA products for their distribution network, and
- Appointing Ms. Maria Greensill as Head of Clime Private Wealth to drive our services to our wholesale and sophisticated clients. Maria has had wide experience in the financial planning industry and was formerly Financial Planning Operations Manager for Suncorp Advice in Brisbane.

Each of these moves continue to provide greater depth and breadth to our service offering and creates a compelling value proposition for clients. It will provide the leverage for significant corporate growth once systems, processes and training are fully integrated.

Today our wholesale investors can access Growth, Income, CBG Funds, International, Direct Property and Small Companies product options, financial advice and SMSF administration. The Group's Gross FUM as at 31 October 2017 stands at \$761 million compared to \$584 million as at 30 June 2017. I thank my fellow Directors, particularly our Managing Director John Abernethy, COO Rob Hardy and their management team for their focus and stewardship of the company as we move from plan to build.

Mr. Neil Schafer and Mr. Allyn Chant are standing for re-election at this meeting and I ask for your support in approving the resolutions.

And finally, on behalf of the Board and shareholders, I wish to thank all our employees for their continued contribution to the ongoing progress of the company. These are the people who are implementing and driving the changes in our business and we look forward to collectively benefiting from the leveraged success from this continuing growth.

I now invite shareholders to ask questions.

Donald McLay
Chairman