

## ASX RELEASE

### MARCH QUARTER UPDATE

### CLIME INVESTMENT MANAGEMENT (“CIW”)

The Board of Clime Investment Management Limited (CIW) is pleased to update shareholders with developments in the March 2019 Quarter.

#### Summary

The March quarter has seen strong investment performance and FUM growth across all investment portfolios managed by CIW.

Individual mandates grew 4.6% and managed funds 4.1% over the quarter with investment inflows as well as market performance.

#### Assets Under Management (AUM)

Clime’s investment products and mandates include Managed Funds, Listed Investment Companies and Individually Managed Accounts. As at 5 April, the gross balances across Clime’s investments were approximately \$887 million: a significant lift from \$816 million at 31 December 2018 and \$855 million at 30 June 2018.

FUM	CURRENT	30 JUNE 2018
Clime Individually Managed Accounts	\$428 million	\$409 million
Listed Investment Companies	\$134 million	\$134 million
Managed Funds and mandates	\$325 million	\$312 million
<b>TOTAL</b>	<b>\$887 million</b>	<b>\$855 million</b>

#### Investment Performance

As highlighted in the December quarter update, a review of investment performance was conducted in the March quarter. This review led to personnel changes in the Investment Team and refinement of Clime’s approach to managing equity portfolios with a focus on well-defined risk / return parameters. This included effective implementation of Clime’s investing style of a quality bias with a strong valuation discipline.

Following these team and process changes, Clime’s investment portfolios were updated to reflect our refined investment philosophy. This resulted in the March quarter delivering strong returns across all investment portfolios. Clime’s portfolios that are outperforming their relevant indices for the financial year-to-date are shown below:

#### Clime Investment Management Limited

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*Australian Equity Strategies*

- Clime Representative Australian Growth Individually Managed Account, outperforming the ASX200 index;
- Clime Australian Value Fund, outperforming the All Ordinaries index; and
- Clime Smaller Companies Fund, outperforming the blended ASX Small Ordinaries and Emerging Companies indices.

*International Equity Strategies*

- Clime International Fund, outperforming the MSCI World ex Aus Index.

*Income Strategies*

- Clime Representative Australian Income Individually Managed Account, outperforming the RBA Cash Rate + 3% hurdle; and
- Clime Australian Income Fund, outperforming the RBA Cash Rate + 3% hurdle.

**Clime Direct initiative**

CIW's subscription-based direct share research service was rebranded as Clime Direct ([www.climedirect.com.au](http://www.climedirect.com.au)) in the March quarter to align more closely with corporate branding. The rebrand included a refresh of the website with the addition of new features that have attracted a noticeable lift in both users and triallists of the website.

**Balance Sheet**

At 31 March 2019, CIW had approximately \$9.5 million of liquid capital and, at the close-of-quarter share price of \$0.47 per share, CIW was capitalised at \$26 million.

**Conclusion**

CIW continues on the path of moving from an Australian equity manager to an integrated wealth management business. This strategy includes delivering tailored Private Wealth Advice; investment solutions; direct share research; and SMSF Administration for high net worth and sophisticated investors.

The Board is confident that successful implementation of the strategy will deliver higher earnings over time. This will be the result of CIW creating stronger client relationships to identify new opportunities; securing additional clients as a result of a fundamentally changing wealth management sector; and expanding distribution of group investment products into the financial adviser market.

Thank you for your ongoing support.

**Rod Bristow**  
**Chief Executive Officer**

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