

**ASX RELEASE****SEPTEMBER QUARTER UPDATE****CLIME INVESTMENT MANAGEMENT LIMITED ("CIW")****GROSS FUM RISES BY 4% in Q1 TO \$961 MILLION**

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

Summary

The September 2019 quarter has seen strong investment performance and FUM growth across all investment portfolios managed by CIW. Individually Managed Accounts grew 4.3%, Listed Investment Companies (LIC's) 2.9%; and managed funds grew 4.1%. This is a pleasing result in an environment where market conditions are uncertain.

Assets Under Management (AUM)

Clime's investment products and mandates include Managed Funds, Listed Investment Companies, Separately Managed Accounts and Individually Managed Accounts. As at 30 September 2019, the gross balances across Clime's investments were approximately \$961 million: up from \$924 million at 30 June 2019.

FUM	30 Sept 2019	30 June 2019	Change	% change
Clime Individually Managed Accounts	\$462 million	\$443 million	\$19 million	4.3%
Listed Investment Company (Clime Capital Limited – ASX: CAM)	\$142 million	\$138 million	\$4 million	2.9%
Managed Funds and mandates	\$357 million	\$343 million	\$14 million	4.1%
TOTAL	\$961 million	\$924 million	\$37 million	4.0%

Investment Performance

Clime's investment portfolios are managed according to our style of investing in quality stocks using a strong valuation discipline. Our primary objective is to achieve strong returns for clients in excess of the relevant benchmark for lower levels of risk. This allows Clime to grow and protect client capital in the accumulation phase and generate meaningful income in the retirement phase.

Clime's portfolios that are outperforming their relevant indices for the year ended 30 September 2019 are shown below:

Clime Investment Management Limited

Level 13, 20 Hunter Street, Sydney NSW 2000 Australia | PO Box H90 Australia Square NSW 1215
ABN 37 067 185 899 P 02 8917 2100 F 02 8917 2155 W www.clime.com.au

Strategy	Investment type	Benchmark	1-year performance to benchmark	Out-performance
Australian Equities				
Clime Australian Growth	Individually Managed Account (IMA) Wholesale investors only	ASX200 Accumulation Index	13.0%	0.53%
Clime Smaller Companies Fund	Managed Fund Wholesale and Retail investors	ASX Smaller Companies Accumulation Index (50%) ASX Emerging Companies Accumulation Index (50%)	24.40%	8.32%
Australian Income				
Clime Australian Income	Individually Managed Account (IMA) Wholesale investors only	RBA Cash Rate + 3%	8.35%	3.91%
Clime Australian Income Fund	Managed Fund Wholesale and Retail investors	RBA Cash Rate + 3%	7.18%	2.71%

Strategic initiatives

During FY2019, Clime launched two strategic initiatives to enhance client engagement and growth of assets under management.

The first of these initiatives, Clime Private Wealth, delivers tailored private wealth advisory services for wholesale and sophisticated investor clients. Advice fee revenue from this new initiative year-to-date is in line with management's forecasts.

The second of these initiatives is assisting financial advisers with access to Clime's high quality investment products and services. During Q1, Clime secured approval to have 3 Managed Funds available for distribution on the Hub24 and Netwealth investment administration platforms. Clime is also the investment manager for a series of Separately Managed Accounts available for investment on the Praemium and Netwealth investment administration platforms.

Balance Sheet

At 30 September 2019, CIW had approximately \$10.2 million of liquid capital. At the close-of-quarter share price of \$0.485 per share, CIW was capitalised at \$27 million ex the final dividend payment of \$0.84 million.

Conclusion

Clime continues good progress on becoming an integrated wealth management business and growing and diversifying the group's revenue streams.

Thank you for your ongoing support.

Rod Bristow
Chief Executive Officer

9 October 2019

For enquiries, please contact Rod Bristow (02) 8917 2110 or by email to rbristow@clime.com.au