



Clime Capital Limited

13 July 2023

Company Announcements
Australian Securities Exchange

Net Tangible Asset Backing

Please find attached Net Tangible Assets report of Clime Capital Limited (ASX: CAM) as at the close of business on 30th June 2023.

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Clime Capital Limited

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About *Clime Capital Limited*

Dividend yield growth

The last 12 month rolling dividend yield is growing. The last 4 dividends are Sep-22: 1.28 cents; Dec-22: 1.30 cents; March-23: 1.32 cents; June-23: 1.34 cents.

Fully franked dividends

CAM is paying fully franked dividends on a quarterly basis.

CAM yield vs Market yield (ASX200) Capital growth

CAM is achieving a dividend yield on NTA in excess of the market yield. Currently, the market yield is 4.4% (70% franked) whereas CAM is achieving dividend yields of approximately 6.5% (100% franked).

CAM has grown its net tangible assets (NTA) from 77 cents to 84.5 cents over the year to 30 June 2023.

Net Tangible Assets (NTA)

2023	June ¹	May ¹	April ²
NTA before tax	\$0.850	\$0.840	\$0.875
NTA after tax	\$0.840	\$0.835	\$0.865

¹ On 24 May 2023, the Board declared a fully franked dividend of 1.34 cents per share in respect of the Company's ordinary shares for the period 1 April 2023 to 30 June 2023, payable on 28 July 2023. NTA before and after tax disclosed above for May 2023 and June 2023 is before the effect of this dividend payment.

² On 23 February 2023, the Board declared a fully franked dividend of 1.32 cents per share in respect of the Company's ordinary shares for the period 1 January 2023 to 31 March 2023, and was paid on 28 April 2023. NTA before and after tax disclosed above for April 2023 was after the effect of this dividend payment.

Performance*

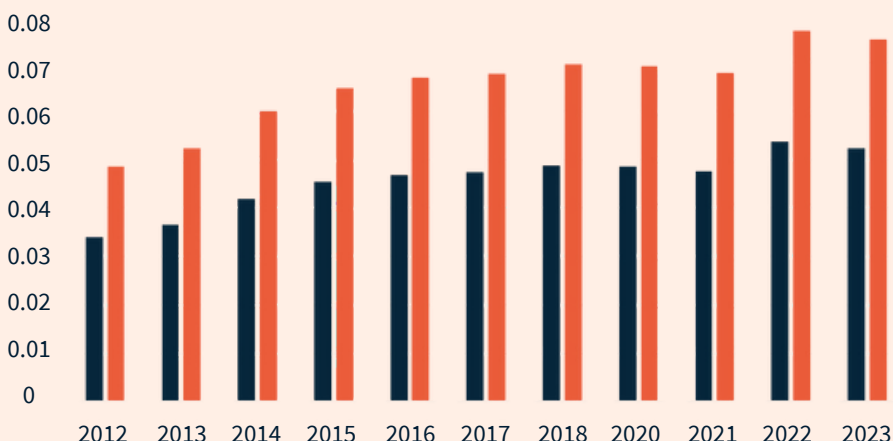
	1 month	3 months	6 months	1 year	2 years p.a.	5 years p.a.	10 years p.a.	ITD p.a.
Gross Return	1.5%	-0.4%	0.4%	18.0%	0.9%	6.4%	6.5%	10.6%
Benchmark Return	1.9%	1.0%	4.7%	14.8%	3.1%	7.3%	8.8%	10.3%
Active Return (Gross)	-0.4%	-1.4%	-4.3%	3.3%	-2.2%	-1.0%	-2.3%	0.3%

*All performance figures are based off NTA.

History of fully franked dividends

Fully franked dividend

Dividend



Source: Clime Asset Management

Snapshot numbers

NTA before tax	NTA after tax
\$0.850 as at 30 June 2023	\$0.840 as at 30 June 2023
Cash Dividend**	Running Yield
5.24 cents fully franked	6.4% fully franked
Total Portfolio Including Cash	Grossed up Running Yield - Pre Tax
\$154.7m	9.1%

*CAMG are unsecured, convertible notes in CAM which, if redeemed, would need to be paid out at face value of \$1.
** Cash dividend includes: Sep-22: 1.28 cents; Dec-22: 1.30 cents; March-23: 1.32 cents; June-23: 1.34 cents

Top 10 Holdings (in alphabetical order)

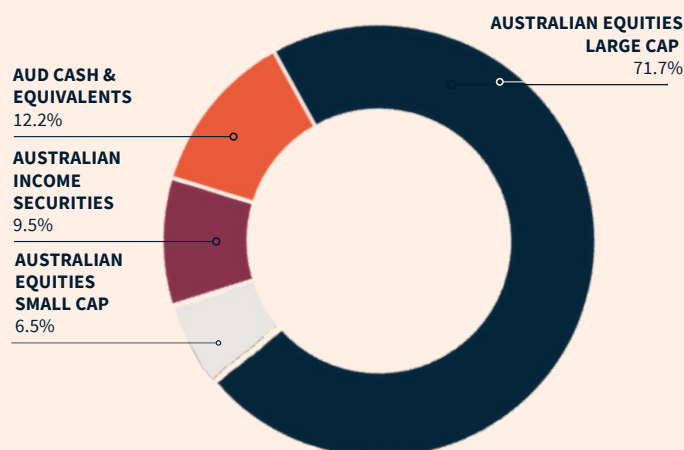
Company	ASX Code
Amcor	AMC
Australia & New Zealand Banking Group	ANZ
BHP Billiton	BHP
Coles Group	COL
CSL	CSL
Incitec Pivot	IPL
National Australia Bank	NAB
Northern Star Resources	NST
Telstra Group	TLS
Westpac Banking Corporation	WBC



Portfolio Asset Allocation

Gross Asset Allocation

Assets	\$M
Australian Equities	120.1
Australian Income Securities	14.6
AUD Cash & Equivalents	19.0
Gross Portfolio Valuation	153.7
Convertible Notes (CAMG)*	-35.7
Net Tangible Assets Before Tax	118.0



Portfolio Commentary

Clime Capital closed out the 2023 financial year having delivered a gross return of assets under management of 18.0%, outperforming the index which surprised most with the double-digit returns delivered.

For Australian investors, it was a tale of two halves with the six months to December seeing continued performance from “value” related stocks including banks and resources that carry high dividend yields. In the second half to 30 June 2023, the combined impacts of easing inflation expectations and a surge in technology and artificial intelligence became the go-to themes. A shift away from strong cashflow companies, to longer-term growth stories saw global tech names surge. Conversely, companies that we seek to invest in that deliver growing income streams, fell out of favor.

As we have commented on before, the core philosophy of this strategy is to deliver strong absolute returns through the cycle and provide investors with a consistent and growing income stream.

Themes may come and go but a company that can grow over the long term and deliver high and sustainable cash flows will always outperform over the longer term.

We look forward to the year ahead and see again, akin to the start of 2022, a myriad of great companies trading at a discount to our assessment of intrinsic value. In these periods there is great value in actively researching new opportunities and investing with conviction.

In the last quarter, we initiated positions in a range of companies across sectors that look set to grow over the medium term. We believe the market has become overly bearish on Qube’s (QUB.ASX) outlook given economic uncertainty, we believe their infrastructure-like assets are yet to show their earnings power, and we look to the FY23 result to see whether recent pricing initiatives are retained. Ridley (RIC.ASX) holds a market leading position in the processing and distribution of feedstock to the farming industry, we see ongoing growth and undervalued strategic value in their brands.

We recently diversified our Lithium exposure to include Pilbara Resources (PLS.ASX). The company is currently expanding their production output from 600kt pa to mt pa by FY25. They are fully funded to achieve this target. Companies held within the portfolios carry a dividend yield ahead above the index average, with very strong growth outlooks.

The current positioning of the portfolio is set to deliver a yield over that of the index, with income and earnings set to grow at twice the pace of the broader market. Pleasingly the blended valuation of invested companies remains at a discount to the index. We remain disciplined in reducing or exiting positions where our target return is reached, or we have seen a fundamental shift in the outlook for a company.

Your Portfolio Managers



Will Riggall
Chief Investment Officer



Ronni Chalmers
Portfolio Manager
All Cap Australian Equities



Invest in people, who invest in you.

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The information contained in this document is published by CAM's Investment Manager, Clime Asset Management Pty Limited ABN 72 098 420 770 AFSL 221146 (Clime).

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