About *Clime Capital Limited*

Dividend yield growth

The last 12 month rolling dividend per share is growing. The last 4 dividends are Jun-23: 1.34 cents; Sep-23: 1.35 cents, Dec-23: 1.35 cents and Mar-24: 1.35 cents which represents a 4.05% rise over the year.

Fully franked dividends

CAM is paying fully franked dividends on a quarterly basis.

CAM yield vs Market yield (ASX200)

CAM is achieving a dividend yield on NTA in excess of the ASX market yield. Currently, the market yield is approximately 4.25% (approximately 70% franked) whereas CAM is trading at a dividend yield of approximately 6.7% (100% franked).

Net Tangible Assets (NTA)

2024	May [2]	April [1]	March [1]
NTA before tax (CUM Dividend)	$0.810	$0.810	$0.850
NTA after tax (CUM Dividend)	$0.815	$0.815	$0.845

[1] On 28 February 2024, the Board declared a fully franked dividend of 1.35 cents per share in respect of the Company's ordinary shares for the period 1 January 2024 to 31 March 2024, and was paid on 24 April 2024. NTA before and after tax disclosed above for March 2024 is before the effect of this dividend payment and for April 2024 was after the effect of this dividend payment.

[2] On 23 May 2024, the Board declared a fully franked dividend of 1.35 cents per share in respect of the Company's ordinary shares for the period 1 April 2024 to 30 June 2024, payable on 26 July 2024. NTA before and after tax disclosed above for May 2024 is before the effect of this dividend payment.

Snapshot numbers

NTA before tax (CUM Dividend)	NTA after tax (CUM Dividend)
$0.810 as at 31 May 2024	**$0.815** as at 31 May 2024
Cash Dividend**	**Running Yield**
5.39 cents fully franked	**6.7%** fully franked
Total Portfolio Including Cash	**Grossed up Running Yield - Pre Tax**
$152.9	**9.6%**

**CAMG are unsecured, convertible notes in CAM which, if redeemed, would need to be paid out at face value of $1.*
*** Cash dividend includes: Jun-23: 1.34 cents; Sept-23: 1.35 cents; Dec-23: 1.35 cents and Mar-24 1.35 cents.*

Your Portfolio Manager

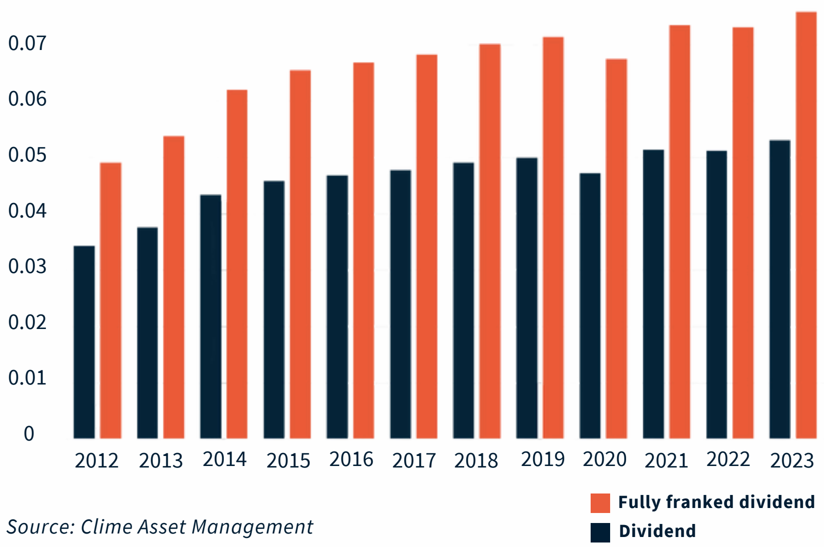
Will Riggall
Chief Investment Officer

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	0.0%	0.1%	6.4%	7.2%	5.3%	5.1%	6.1%	10.3%
Benchmark Return	0.9%	1.2%	11.2%	13.9%	7.8%	8.2%	8.1%	10.4%
Active Return (Gross)	-0.9%	-1.1%	-4.8%	-6.7%	-2.5%	-3.1%	-2.0%	-0.1%

*All performance figures are based off NTA.

History of fully franked dividends



Source: Clime Asset Management

Top 10 Holdings

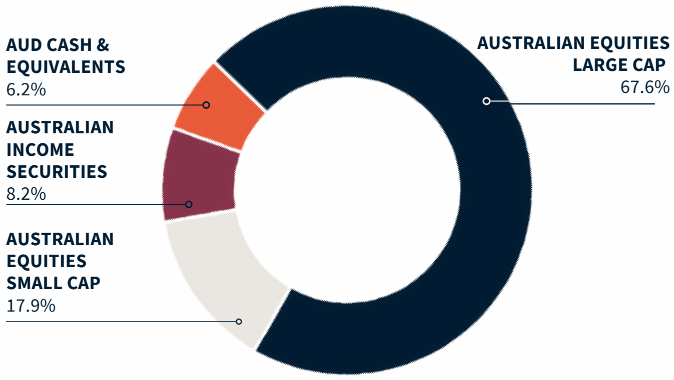
(in alphabetical order)

Company	ASX Code
Ampol	ALD
Australia & New Zealand Banking Group	ANZ
BHP Billiton	BHP
Commonwealth Bank of Australia	CBA
Coles Group	COL
National Australia Bank	NAB
Newmont Corporation - Cdi	NEM
QBE Insurance Group	QBE
Telstra Group	TLS
Woodside Energy Group	WDS

Portfolio Asset Allocation

Assets	$M
Australian Equities	130.3
Australian Income Securities	12.5
AUD Cash & Equivalents	10.1
Gross Portfolio Valuation	152.9
Convertible Notes (CAMG)*	-34.8
Provision for expenses - mgt/perf fee	-0.1
Net Tangible Assets Before Tax	117.9

Gross Asset Allocation



Portfolio Commentary

Clime Capital delivered 0.02% during the May month, lagging the broader market with the ASX All Ordinaries up +0.87%. The flat performance in May was largely driven by the portfolios relative underweight to the strong performance in Information Technology (+4.5%), following the sectors strong offshore peers as well as our negative view on Banks, with the sector earnings momentum offsetting historically high valuations despite pressure on returns.

We have recently increased our exposure to Diversified Financials given leverage to strong markets, and we have funded this through a reduced bank exposure. Pleasingly key holding GQG.ASX returned +16.03% during May with its strong FUM flow continuing. Over May we took profits in ANZ (+3.27%), having collected recent dividends. We look to a normalisation in bank valuations as a trigger to add to positions.

The communications sector lagged -2.8% driven by Telstra which fell -5.4% on negative news of a move away from CPI-linked post-paid mobile pricing and significant staff reductions. We have been disappointed in Telstra's performance in light of a strong mobile market and rational competition, we look for further cost-out initiatives to see the stock re-rate to our valuations.

The Consumer Discretionary sector declined –0.73% over the month as consumer sentiment waned. We remain watchful on the health of the consumer and are selective in our exposures. Cettire (CTT.ASX) is a high growth company that delivers on a few key process pillars, i.e. aligned management and strong cash flow generation. We see the recent decline in the stock (-22.7%) as unwarranted and retain conviction in the lack of materiality of the short reports' thesis. Material upside remains as earnings delivery is excepted to continue.

The materials sector was broadly flat +0.10% although news of BHP's rejected bid for Anglo American was a key focus during the month. This outcome caused a rebound in BHP performance +3.41%, seeing the stock as the top contributor to May performance. Post recent gains we took profits. Conversely the brent oil price weakened -7.1% causing energy positions to lag the market, Ampol (ALD.ASX) declined -5.58%. Overall, we expect an increase in M&A activity from the mining sector as their balance sheets improve due to healthy commodity prices. We continue to see strong upside in companies exposed to increasing mining capex spend, with NRW Holdings (NWH.ASX) rising 10% in May.

Clime remains optimistic on the outlook for the ASX and will continue to construct diversified portfolios with a focus on quality companies with the ability to deliver a combination of capital and franked income. We have taken advantage of strong markets to rotate the portfolio away from pockets of valuation risk into companies that will drive strong absolute and relative performance in the second half of 2024. Recent performance of the portfolio is not reflective of the quality of underlying holdings with the market rewarding lower quality and higher valuation segments of the market. We see these trends as short term and believe a portfolio built on investing in undervalued companies with proven management and business models will enable Clime Capital to deliver strong capital growth and fully franked income growth.

Positive Attributors	Portfolio Return	Comment
GQG Partners, Inc. Shs Chess Depository Interests Repr 1 Sh (GQG.ASX)	15.9%	GQG has been a consistent contributor to performance since its introduction to the portfolio. Strength in performance continued throughout May, supported by strong global market performances and a trading update that confirmed net FUM flows are tracking ahead of market expectations. The outlook remains positive, with the strong net inflows reflecting continued investor confidence in the company's strategies, underpinning earnings momentum.
Qube Holdings (QUB.ASX)	7.8%	QUB delivered an FY24 trading update ahead of market expectations during May, translating to strong outperformance. QUB remains well-positioned for sustainable long-term earnings growth, supported by its strategic assets and additional capacity and efficiency benefits coming through from its multi-year investment into IMEX.
Incitec Pivot Ltd (IPL.ASX)	5.7%	IPL contributed positively to portfolios over May, due to its 1H24 results which were released mid month. The results featured a strong performance in its APAC Explosives, which beat consensus by 20%. Despite weaker North America Explosives performance and negative operating cash flow, the company's implied FY24 earnings before income tax (EBIT) guidance came in slightly ahead of consensus. The Fertiliser sale process is said to be in advanced stages, with a new transformation program aimed at restoring double-digit return on invested capital (ROIC) levels further support IPL's share price over the month.

Portfolio Commentary Continued

Negative Attributors	Portfolio Return	Comment
Electro Optic Systems Holdings Limited (EOS.ASX)	-27.3%	EOS was a detractor in May, with some momentum easing after a significant share price rally. Despite this, we remain optimistic about the company's prospects. A recent site visit highlighted impressive demonstrations, including the Directed Energy laser and R400 Remote Weapons System. The chairman's address at the AGM emphasized a strong financial turnaround, record revenue, and promising diversification in their product range. Ongoing demand from the Russia/Ukraine and Israel/Palestine conflicts serves as a significant tailwind, with management expecting this demand to persist for at least seven years as countries aim to meet their desired weapon inventories. With a solid order book and potential for significant contracts, we maintain our positive outlook on EOS's long-term prospects.
Cettire Ltd. (CTT.ASX)	-22.1%	CTT saw considerable selling pressure during May, lining up with a notable increase in the short interest in the company's securities. CTT has continued to see unscrupulous short sellers spread misinformation through the social and traditional media, focussing on tax compliance, returns processes and customer experience. Our scuttle butt and research into each of the issues suggests that the issues raised are simply the symptoms of a rapidly growing business, as opposed to anything more sinister. Further, online data points show that the company is continuing to grow at an impressive rate.
Ampol Ltd (ALD-ASX)	-5.7%	Ampol declined in May as the company provided its quarterly update indicating that margin spreads on its refining business has declined from recent highs. Pleasingly its underlying fuels and convenience business continues to trade well, delivering strong growth as customers spend more within their retail footprint. We believe the share price has reacted to short term volatility in the lower value refining business and will re-rate the stock as growth continues from core operations. The company is in a strong capital position and investors coudl again benefit from a special dividend at the upcoming result.

Portfolio Activity

Buy	Comment
Intelligent Monitoring Group Limited (IMB.ASX)	IMB's position in the portfolio this month was significantly increased as part of a $19.2 million capital raise at $0.32 per share. The funds will support the acquisition of ACG Integration and Alarm Assets Group, adding a combined earnings before income tax, depreciation and amortisation (EBITDA) of $5.7 million at an attractive EV (enterprise value)/EBITDA multiple of 2.8x. These acquisitions enhance IMB's scale, expanding its skilled technician base and national footprint. The transaction is expected to reduce leverage and improve cash flow, positioning IMB for potential refinancing in 2025, thereby boosting net profit after tax (NPAT) through reduced interest expenses.
Light & Wonder, Inc. Shs Chess Depository Interests Repr 1 Sh (LNW.ASX)	After a strong start to the year, we have utilised a period of consolidation to increase the weighting to LNW. Recent results have confirmed operational excellence and execution and we see the company as well positioned for a re-rating given its growth profile and ultimately closing the gap to the current market leader (Aristocrat) over time.

Sell	Comment
BHP Ltd (BHP.ASX)	Given strong recent iron ore prices we have taken profits in BHP with the a near term preference to reinvest capital into companies exposed to the strong outlook for mining capital expenditure more so than direct commodity exposures. We were please to see BHP retain its capital discipline, walking away from its bid for Anglo American, however we believe the acquisition has a robust raationale with copper looking an attractive long term option for mining companies. We remain invested in BHP and reiterate our belief that in its strong competitive position.
QUB Holdings (QUB.ASX)	QUB has been a strong performer for the portfolio increasing over 30% since the positioned was initiated. The company is a strong example the Clime process whereby an inflection point was identified in profitability, driving increased returns post a period of investment. Given the strong price rise we crystallised gains with the valuation reflecting the improved outlook. We continue to be attracted to the QUB growth story and expect the stock to remain a core part of the portfolio going forward.
ANZ Bank Limited (ANZ.ASX)	The Australian banking sector has risen strongly on the back of better than expected loan repayments and an easing in competition, supporting net interest margins. With the sector trading closer to our view of through the cycle value, we have reduced our exposure with ANZ having delivered very strong capital and income returns to shareholders.