

ASX RELEASE

DECEMBER QUARTER UPDATE - CLIME INVESTMENT MANAGEMENT ("CIW")

The Board of Clime Investment Management Limited (CIW) is pleased to update shareholders with developments in the December 2016 Quarter.

Funds under Management (FUM)

Gross balances as at 31 December were \$607m:

FUM	31 December 2016
1. Clime Individually Managed Accounts	\$389 million
2. Clime Capital Limited	\$84 million
3. Managed Funds	\$134 million

Fund Performances

A key area of focus of Clime is alignment of our investment objectives with those of our customers. This ultimately comes down to helping our customers achieve security in their retirement. We do this by focusing on three key elements

- Grow retirement savings
- Guard them along the way, and
- Generate meaningful income

The December quarter once again provided a good illustration of our investment approach delivering on this primary objective, growing and guarding retirement savings and generating meaningful income.

The representative Australian Growth DSP model portfolio delivered a total return of +10.0% for the six months ended 31 December (after fees). A feature of this return was the strong contribution made by each of the large, mid- and small-cap sub-portfolios.

The representative Clime Australian Income DSP model delivered a total return of +4.0% for the six months ended 31 December (after fees).

Clime Investment Management Limited

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The Clime International Fund produced a return of +3.9% over the six months (after fees).

Clime Capital (CAM) delivered a similar return profile to that seen across the Australian Growth DSPs. It is noteworthy that the strong investment performance of CAM was reflected in the share price which rose by over 12% in the six months. Whilst CAM still trades at a discount to NTA the share price move will meaningfully contribute to the CIW reported profit result in the half year.

Clime Private

CIW shareholders have been allocated one share in Clime Private for each one CIW share held following approval of shareholders at the CIW AGM.

The distribution and effective decoupling of Jasco Holdings from CIW means that CIW has restructured to become a pure financial services company.

At this point the Board is seeking advice on the cost base allocation between CIW and Clime Private shares. When this occurs it is the intention of CIW to create a limited trading market in Clime Private shares.

At the date of this announcement CIW has approximately \$11 million of liquid capital, no debt and \$600 million of funds under management. At the current share price of 50 cents per share CIW is capitalised at \$25 million or effectively \$15 million goodwill for its financial services business.

The Board of CIW will announce the interim profit and interim dividend in mid-February.

A handwritten signature in black ink, appearing to read 'John Abernethy'.

John Abernethy
Director

Dated 18 January, 2017

For any enquiries, please contact John Abernethy (02) 8917 2107 or by email to john@clime.com.au.