

## ASX RELEASE

### JUNE QUARTER UPDATE - CLIME INVESTMENT MANAGEMENT ("CIW")

The Board of CIW is pleased to update shareholders with developments for CIW in the June Quarter, 2014.

Key business indicators for shareholders in CIW include the continuing growth in funds under management (FUM), the growth in subscribers in our joint venture "*StocksInValue*" and balance sheet investment returns. Each are addressed below.

#### FUM

The group's FUM have grown to approximately **\$590 million** at the date of this report. This represents an increase in FUM of 30% over the 2013/14 financial year.

Over the last 5 years (ended 30 June 2014) the Clime Australia Value Fund (CAVF) has achieved a net return of over 12.2% per annum or a cumulative 77.5%. These returns are broadly consistent across our range of portfolios.

FUM, as at the date of this report, is split approximately as follows:

1. Clime DSP accounts - \$400 million,
2. Clime Capital Limited - \$96 million, and
3. Clime Australia Value Fund - \$55 million, and
4. Clime International Fund - \$38 million

#### ***StocksInValue (SIV)***

SIV is a joint venture with the Eureka Report and it completed its first 17 months of trading at 30 June. SIV cash revenue has grown over that time. Subscriber numbers continue to grow and have reached a record of 1900 as at 30 June (1450 at commencement of joint venture). Importantly the lifetime value of current memberships was \$2.4 million as at 30 June.

SIV is specifically directed towards the fast growing self-directed superannuation market in that it allows members to access consistent and independent valuations of Australian shares. SIV has recently launched a new version of the product in April that is targeted towards retail investors. Further significant product upgrades are scheduled in the next 6 months.

#### ***Balance Sheet***

The directors are pleased to inform shareholders that the net tangible assets of the company as at 30 June 2014 are approximately \$19 million. This is approximately the same level as at 30 June 2013 despite a \$4 million cash return of capital in November 2013.

Further, as at 30 June 2014, CIW had net cash of over \$5 million which supports growth in the business. The company recently sold its head office at 352 Kent Street at a profit, for over \$1 million (settlement is due in September), and has relocated to leased premises at 1 Market Street, Sydney.

#### **Clime Investment Management Limited**

Level 7, 1 Market Street, Sydney NSW 2000 Australia | PO Box Q1286, Queen Victoria Building, NSW 1230 |

ABN 37 067 185 899

P 02 9252 8522 F 02 9252 8422 W [www.clime.com.au](http://www.clime.com.au) T @climeinvest

As previously advised regarding our investment in Jasco Holdings Limited, Jasco has completed the sale of its stationery wholesale operations to Pelikan Artline. The sale price included a substantial goodwill element. Following a recent share buyback by Jasco, CIW now owns approximately 21% of Jasco and will therefore equity account this investment as at 30 June.

CIW has carried its investment in Jasco in its balance sheet at \$5.2 million as at 31 December 2013 and this valuation is expected to rise substantially to about \$8 million as at 30 June 2014. Consequently this will result in a substantial lift in the reported profit of CIW (see below).

#### ***Clime International Fund***

The company is pleased with progress of the Clime International Fund. FUM has increased by \$10m in the quarter. The fund sub-manager, Sanlam Private Investments (UK) represented by Pieter Fourie, updated unit holders in a recent national investor road-show. The Fund utilises Clime's investment data and valuation methodology. CIW seeded this fund with a \$1 million investment on its formation in March 2014.

#### ***Clime Capital Limited (CAM)***

CIW maintains a substantial equity stake in CAM with its investment in ordinary and preference shares having a market value of approximately \$6 million.

#### ***2013/14 Financial Result***

Due to the growth in our business (outlined above) and the substantial uplift in the value of Jasco, CIW expects to report pre-tax profit in excess of \$3.75 million (subject to audit sign off of the Jasco transaction ) for the 2013/14 financial year. The final audited results and final dividend will be announced to the market in mid-August .

A handwritten signature in black ink that reads 'Richard Proctor'.

**Richard Proctor**  
**Company Secretary**

For any enquiries concerning the update, please contact Richard Proctor (02) 8917 2142 or at [Richard@clime.com.au](mailto:Richard@clime.com.au).