

ASX RELEASE

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

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

The key business indicators for shareholders in CIW include:

- a. the continuing growth in funds under management (FUM),
- b. the growth in subscribers in our joint venture "*StocksInValue*" and
- c. the financial returns from all operations including balance sheet investments.

Each of these are addressed below.

FUM

As at 31 December the group's gross FUM has grown to just under **\$600 million**. Against a flat market this represents an increase in FUM of \$15m (3%) since June 30, and \$70m (13%) over the 31 December 2013 balance.

FUM, as at 31 December, is split approximately as follows:

1. Clime Discrete Share Portfolio accounts - \$405 million,
2. Clime Capital Limited - \$91 million, and
3. Clime Australia Value Fund - \$48 million, and
4. Clime International Fund - \$53 million

Clime International Fund

The company is particularly pleased with progress of the Clime International Fund (CIF). FUM has increased by \$9m (20%) in the quarter. CIW seeded this fund with a \$1 million investment on its formation in March 2014. The fund has delivered a healthy 12.7% return since 30 June.

StocksInValue (SIV)

SIV is a joint venture with the Eureka Report and it completed its first 22 months of trading at 31 December. It provides members with access to consistent and independent company valuations. SIV's cash revenue from member subscriptions has grown significantly over that time. Subscriber numbers are at a healthy count of 1985 (1450 at commencement of joint venture).

SIV is specifically directed towards the fast growing self-directed superannuation market. We have just successfully launched international stock valuations to augment domestic stock valuations.

Tangible Assets of the Group

At 31 December 2014, CIW retains net cash of over \$5 million which supports growth in the business. The company has paid dividends of \$1.5 million fully franked since 30 June 2014.

CIW maintains a substantial equity stake in Clime Capital Limited with its investment in ordinary and preference shares having a market value of approximately \$5.5 million.

CIW's significant investment in Jasco Holdings Limited was re-valued as at 30 June 2014 to \$8m. Since 30 June we have received \$250k in fully franked dividends from Jasco, and we expect further dividends to flow over the next 6 months.

2014/15 Financial Progress

The operating financial result for the business to date is ahead of last year.

The mark to market impact of our listed investments portfolio represents a modest decrement to the 30 June market values. The investment in CIF has lifted in value since 30 June.

We will announce a dividend statement in February accompanying the half year results.

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.