

ASX RELEASE

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

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

Fund Performances

The September quarter results produced good returns across the portfolios.

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

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

The September quarter provides a good illustration of our investment approach delivering on this primary objective, in particular growing and guarding retirement savings.

The Clime Australian Growth DSP model portfolio delivered a total return of 5.8% for September quarter (before fees). A feature of this return was the strong contribution made by the mid- and small-cap sub-portfolios.

The Clime Australian Income DSP model delivered a total return of 2.3% for the September quarter (before fees). The fund also demonstrated sound capital preservation during the first part of September.

The AUDUSD's move from 0.745 to 0.766¹ over the quarter effectively offset the Clime International Fund's (CIF) positive equity return and resulted in the CIF delivering net -0.1% for the September quarter (after fees).

Clime Capital (CAM) delivered a similar return profile to that seen across the Australian Growth DSPs. This resulted in an unaudited pre-tax profit of \$4.3m AUD for the quarter for Clime Capital compared to the 12 month result to June 30 2016 of \$1.7m loss.

¹ Source: Bloomberg

Funds under Management (FUM)

Gross balances as at 30 September 2016 were \$600m (30 June 2016 \$610m)

FUM	30 September 2016
1. Clime Individually Managed Accounts	\$382 million
2. Clime Capital Limited	\$82 million
3. Managed Funds	\$136 million

AGM October 27th

Shareholders have received their Notice of Meeting and the Board encourages the attendance of shareholders at this meeting.

There are a number of important Agenda items for consideration.

The Board believes the most significant item for shareholders to consider is the return by way of distribution of shares in the newly created "Clime Private Limited". This company will have transferred to it CIW's current interest in Jasco Holdings Limited. CIW shareholders will be allocated one share in Clime Private for each one CIW share held if shareholders approve the distribution.

The distribution and effective decoupling of Jasco Holdings from CIW will mean that CIW restructures to become a pure financial services company.

CIW will have over \$10 million of liquid capital, no debt and \$600 million of funds under management. The Board believes that this restructure will simplify CIW and allow us to grow with a proper market assessment of our underlying value.



John Abernethy
Director

Dated 18 October, 2016

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