



# Shareholder Presentation FY 2022 - Half Year Results

John Abernethy, Chairman  
Annick Donat, Chief Executive Officer  
Monday, 14 March 2022



# Disclaimer

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The information contained herein is not intended to be advice and does not take into account your personal circumstances, financial situation and objectives. The information provided herein may not be appropriate to your particular financial circumstances and we encourage you to obtain your own independent advice from your Financial Adviser before making any investment decision.

Please be aware that investing involves the risk of capital loss and past results are not a reliable indicator of future performance and returns.



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# CIW is moving forward

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- **Board renewal** – greater diversity of contemporary experience, talent and corporate connections
- **Executive update** – CEO (April 2021), CIO (December 2021) and COO (March 2022)
- **Balance sheet strengthened** – December 2021 - \$14 million cash and liquid investments
- **Strategic deals, completed and in-progress** - Ralton (SMA joint venture), WA joint venture (Private Wealth), QLD Start up funded
- **Negotiations and Investigations** of a number of transactions in progress
- **Advisers joining Madison network** (prior to June 2022)
- **Clime Direct** - relaunch





# Madison Financial Group Offer

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- Private client wealth advisory services
- Licensing financial advisers
- Provision of investment solutions – Bespoke – across asset classes and structures
- Investment consulting – direct equities
- Peer forums – investments, insurance, wholesale, emerging practices
- Executive leadership programs
- Wholesale licensing solution – products and services
- Strategic consulting and capital to Advice practices and capital to advice and product partners
- Client marketing – Clime Direct, seminars and thought leadership communication
- Licensing services to AFSs



# December Half Year FY22 Results Summary

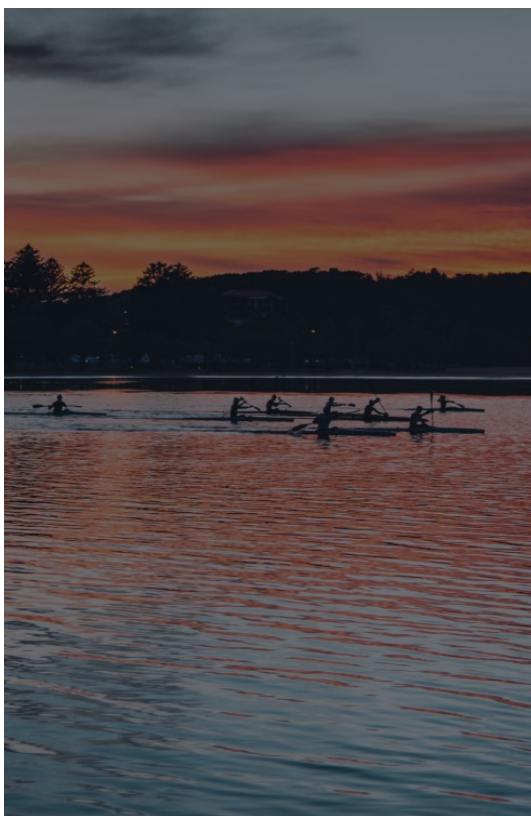


## FY22 December Summary

Item	31 Dec 2021 (\$'000)	31 Dec 2020 (\$'000)	Change (\$'000)	% Change
Cash operating profit	869	747	122	16.3
Cash investment income	265	152		
Cash earnings	1,134	899	235	26.1
Mark to Market (MTM) Investments	(282)	744		
Cash earnings plus MTM	852	1,643		
Net Non-recurring	80	(96)		
<b>Profit reported pre-amortisation and tax</b>	<b>932</b>	<b>1,547</b>	<b>(615)</b>	<b>(39.8)</b>



# December Quarter Update: Q2 FY22



## CIW Q2 FY22 Results

Financial Indicator	31 Dec 2021 (\$ million)	30 June 2021 (\$ million)	% Change	
Funds under management (FUM)	1,414	1,353	↑	4.5
Funds under advice (FUA)	4,003	3,762	↑	6.4
Funds under management and advice (FUM&A)	5,417	5,115	↑	5.9
Cash and liquid investments, no debt	14	11	↑	27.0



### Key performance drivers

- Increased advice activity across Madison Financial Group
- New business growth in Private Wealth
- Robust performance within our income product solutions
- Completed the 75% acquisition of Ralton Asset Management with 4 additional SMA strategies
- Continued rationalisation of operating systems

The results have also benefitted from solid growth in Funds Under Management and Advice (FUM&A), now \$5.4 billion, improved operating earnings, and an increase in gross income.

# Funds Under Management & Advice (FUMA)

Funds Under Management and Advice (FUMA) as at 31 December 2021 exceeds \$5.4 billion



## FY22 December Quarter Update

FUNDS AND INSURANCE PREMIUMS UNDER MANAGEMENT AND ADVICE	31 Dec 2021 (\$ million)	30 June 2021 (\$ million)	Change (\$ million)	% Change
<b>FUNDS UNDER MANAGEMENT</b>				
Individually Managed Accounts (IMAs)	588	556	32	5.8
Clime Capital (Listed Investment Company)	170	163	7	4.3
Managed Funds and mandates	365	363	2	0.6
Separately Managed Accounts (SMAs) <sup>#</sup>	291	271	20	7.4
<b>SUB - TOTAL, FUNDS UNDER MANAGEMENT</b>	<b>1,414</b>	<b>1,353</b>	<b>61</b>	<b>4.5</b>
<b>FUNDS AND INSURANCE PREMIUMS UNDER ADVICE</b>				
Funds Under Advice - WealthPortal <sup>#</sup>	597	660	(63)	(9.5)
Funds Under Advice - Other investment platforms	3,358	3,057	301	9.8
Insurance Premiums Under Advice	48	45	3	6.7
<b>SUB - TOTAL, FUNDS UNDER ADVICE</b>	<b>4,003</b>	<b>3,762</b>	<b>241</b>	<b>6.4</b>
<b>TOTAL FUMA</b>	<b>5,417</b>	<b>5,115</b>	<b>302</b>	<b>5.9</b>

### Notes:

<sup>#</sup>During the period \$190 million (June 2021: \$173 million) was reclassified from Funds under Management and Advice - WealthPortal to Separately Managed Accounts (SMAs).

## FUMA: Q2 FY22

This is comprised of:

- Private Wealth growth
- New business growth – retail platforms
- New advisers joining Madison
- Ralton acquisition



# Clime Gross FUM



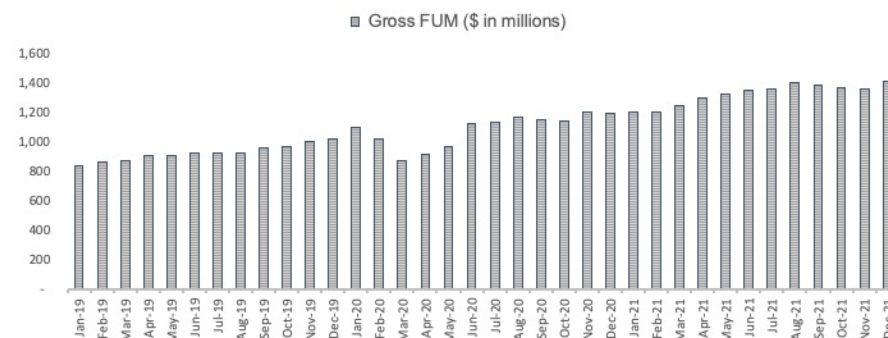
## Funds under management (FUM) and Advice

**Solid growth in Funds Under Management and Advice (FUM&A), now over \$5.4 billion**

Funds Under Advice (FUA)	FUA - To 31 December 2021	Funds Under Management (FUM)	FUM & A	Clime Gross FUM (\$M)
WealthPortal #	\$597 million			
Other Investment Platforms	\$3,358 million			
Insurance Premiums	\$48 million			
<b>Total</b>	<b>\$4,003 million</b>	<b>\$1,414 million</b>	<b>\$5,417 million</b>	

#Reclassified ProActive FUM from Funds under Management and Advice - WealthPortal to Separately Managed Accounts (SMAs).

### GROSS FUM (\$ IN MILLIONS)



# Solid fund performance



## Clime Fund Performance

**Portfolio Results as at 31 December 2021 (All returns shown after fees) (Unaudited)**

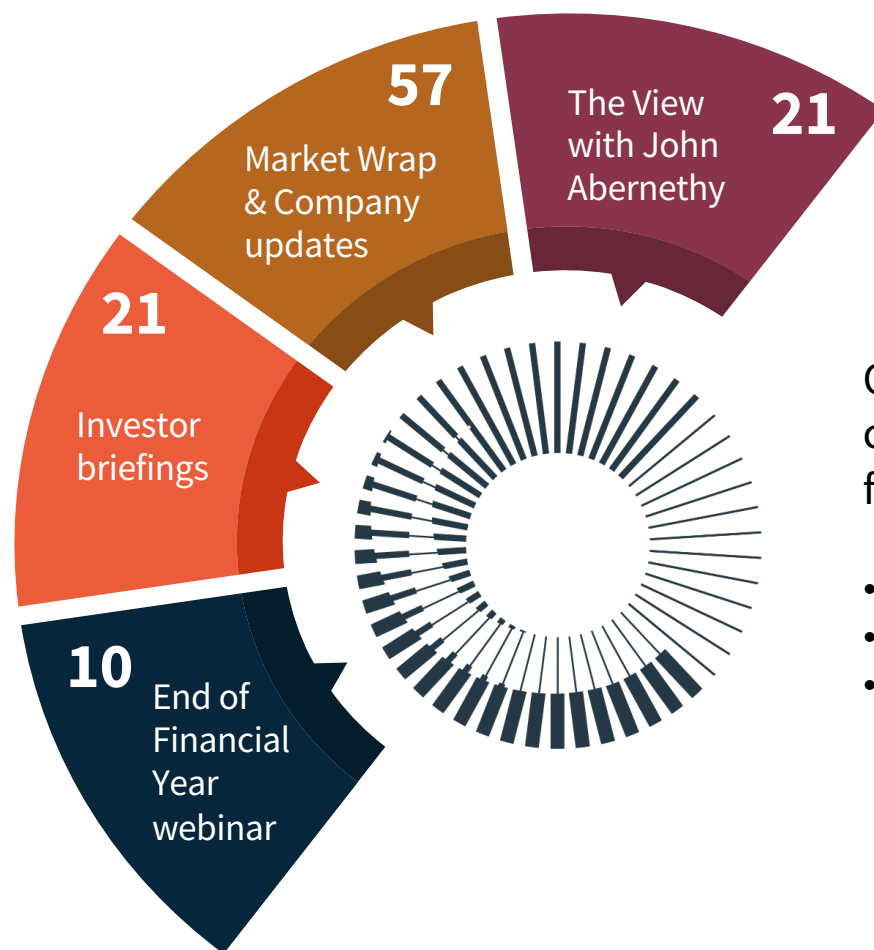
EQUITIES	1 - month	3 - month	6 - month	FYTD	1 Year	2 Year (p.a)	3 Year (p.a)	5 Year (p.a)	10 Year (p.a)	Inception (p.a)
CSCF - Smaller Companies Fund	1.7%	-5.1%	-4.8%	-4.8%	12.3%	12.7%	21.1%	N/A	N/A	17.7%
CIF - Clime International Fund (Wholesale)	1.7%	5.7%	8.6%	8.6%	22.6%	11.1%	13.3%	N/A	N/A	9.9%
CAM (After fees before taxes)	3.0%	-0.3%	-0.8%	-0.8%	15.3%	5.2%	12.6%	N/A	6.9%	9.7%
Clime All Cap Fund - (CBG Fund Wholesale)	3.0%	0.1%	-0.5%	-0.5%	13.7%	6.6%	14.0%	N/A	10.5%	9.2%
IMA - Growth	3.0%	0.0%	-0.7%	-0.7%	13.7%	6.5%	13.4%	N/A	N/A	N/A
IMA - Long Term Quality	2.5%	2.8%	3.3%	3.3%	N/A	N/A	N/A	N/A	N/A	19.7%
IMA - High Conviction	3.8%	2.8%	1.0%	1.0%	10.0%	4.6%	15.6%	N/A	N/A	9.7%
INCOME	1 - month	3 - month	6 - month	FYTD	1 Year	2 Year (p.a)	3 Year (p.a)	5 Year (p.a)	10 Year (p.a)	Inception (p.a)
CAIF - Aust Income Fund	2.5%	2.5%	5.5%	5.5%	12.1%	7.2%	7.7%	N/A	N/A	6.8%
IMA - Income	3.5%	4.0%	7.7%	7.7%	17.8%	8.2%	9.1%	N/A	N/A	N/A
IMA - Balanced Ethical Income	3.3%	5.0%	8.3%	8.3%	20.1%	13.1%	14.2%	N/A	N/A	10.8%
CFIF - Clime Fixed Interest Fund	0.3%	-0.3%	0.1%	0.1%	1.1%	1.9%	N/A	N/A	N/A	2.2%

## Fund / Investment Performance: 31 Dec 2021

- Over the 6 months to December 2021, Clime growth funds and IMA strategies lagged index returns as the group's focus on quality and value saw a rotation to lower quality cyclical components of the market. This rotation has recently started reversing.
- Clime's income product solutions have seen robust performance, particularly the CAIF and ESG Income portfolios
- The CAIF was ranked first out of 111 investments in its peer category for the 12 months to 31 December 2021.



# Helping clients be confident with their investment decisions



Our clients appreciate the open and transparent communication, and enjoy the opportunity to meet face to face.

- Continued hybrid education forums
- Increased roundtable conversations
- Increased face to face seminars (now open to public)



# Madison Financial Group & Clime Private Wealth

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## Madison Financial Group

- Strong quarter to December 2021 for Madison with an increase in total FUA to \$4.0 billion and Insurance Premium In Force (PIF) growth of \$2.1 million
- Madison is anticipating reporting an increase in adviser numbers in FY22
- The wholesale licensing and investment service is attracting high quality professional advice firms seeking support for their high-net-worth clients
- Launch of Executive Leaders Program

## Clime Private Wealth

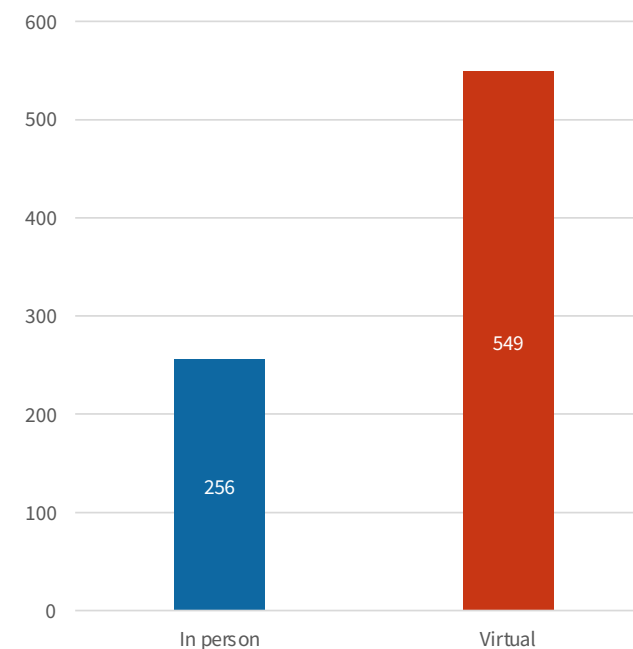
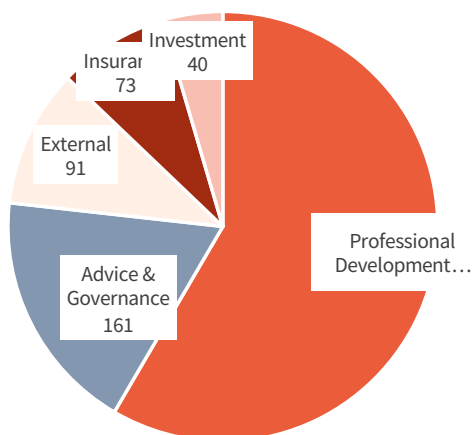
- Clime Private Wealth continues to grow with the addition of 1 adviser and one associate in the last half
- Piloting private wealth client portal
- Increasing team footprint
- Increase share of wallet





# Educating the advice community

- Strong attendance and engagement
- Quality sessions led by experts (inhouse & education partners)
- Hybrid delivery
- 4.5/5 average rating
- Adviser conference in December
- Client macro sessions & workshops held in December



# Strategic roadmap FY2022-2025

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Creating a responsive ecosystem - company, client and community working together to create mutual benefit and success.

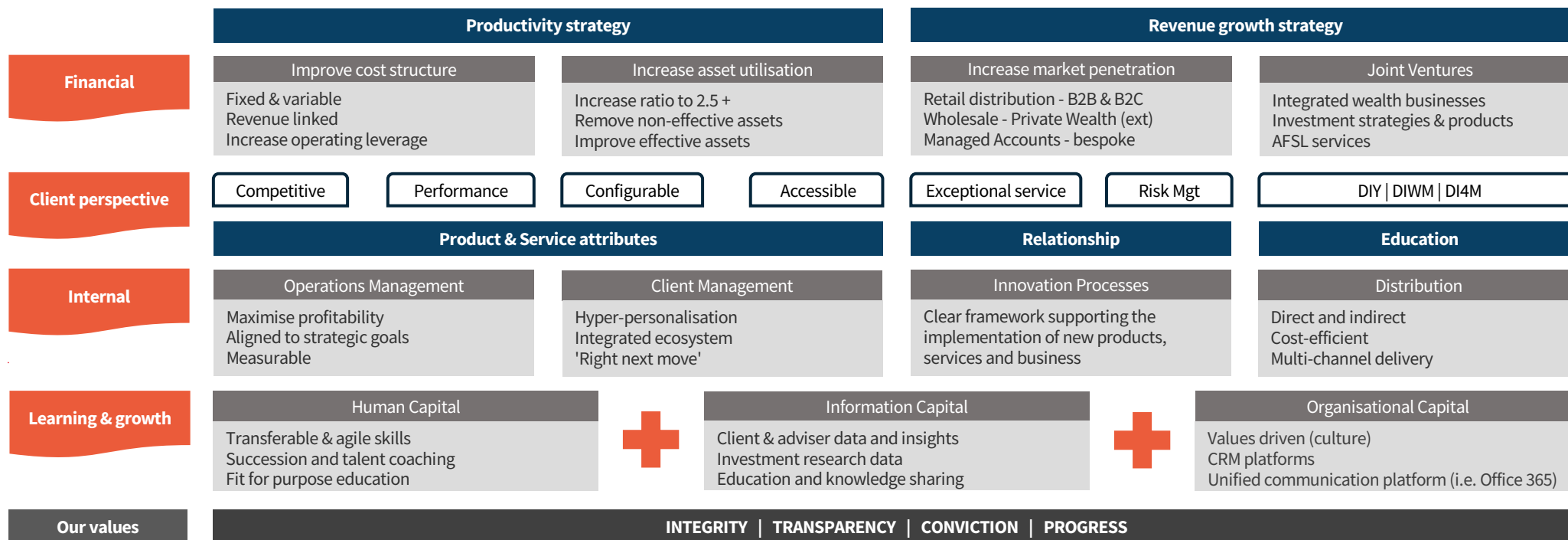
- Exploring new markets and opportunities
- Our people strategy moving towards a hybrid, high performance environment
- Insight led client engagement
- Data and insights to provide real time intelligence
- Launch of fully integrated, adaptive education and learning platform



# 2022 – 2025 Strategy Map

Clime exists to add value for its clients & shareholders

Educating and serving our clients to create better financial and life outcomes



# Current trading and Q3 momentum



## New Markets and growth opportunities

- Continued momentum in IMA new business
- New markets opening NFP, Foundations and Family Offices – with recent new mandate wins
- Acquisition of 2 WA based client registers in December



## Pipeline

- Continued growth in Adviser recruitment pipeline , with opportunities for joint ventures and acquisitions



## SMA Growth

- SMA book growing, with a move to bespoke SMAs underpinned by Clime Investment team expertise and strong investment framework
- Combining our SMA business with Ralton AM Pty Ltd - all 4 equity SMA strategies outperformed their relevant benchmarks over the last quarter



## Clime Direct

- Focus on Clime Direct, increase content generation, increase in digital engagement to expand subscriber base



## Clime Funds

- Clime has seen an increase in demand for bespoke investment solutions and portfolios in line with growth within the Private Wealth segment



# Conclusion

- We expect to see continued growth in FUM & A to the end of financial year
- Due diligence ongoing with several business opportunities, aligning to our strategic objectives
- Delivery of a comprehensive and informative education program throughout Q3, for Advisers and Private Wealth clients
- A strong pipeline of new business
- Our program of work on data and insights will continue into Q3 FY22





Invest in people, who invest in you.

Adviser Services 1300 789 575 | Investor Services 1300 788 568 | [info@clime.com](mailto:info@clime.com) | [clime.com.au](https://clime.com.au)

# Appendices | Clime in the media

## Media articles

- [Vincent Cook SMH \(CBA\)](#) – Published 19 Nov 2021
- [John Abernethy AFR \(Convertible notes article\)](#) – Published 18 Nov 2021
- [Annick Donat NMP Education \(Advice Landscape\)](#) – Published 9 Nov 2021
- [Annick Donat Money Management \(FY21 Results\)](#) – Published 25 Aug 2021
- [Annick Donat Independent Financial adviser \(FY21 Results\)](#) – Published 25 Aug 2021
- [Adrian Ezquerro SMH \(Chart of the Day\)](#) – Published 18 Aug 2021
- [Adrian Ezquerro The Australian \(ARB Sales\)](#) – Published 18 Aug 2021
- [Vincent Cook AFR \(Westpac\)](#) – Published 18 Aug 2021
- [Adrian Ezquerro AFR \(Economic update\)](#) – Published 9 Aug 21
- [Adrian Ezquerro Citywire \(Small cap fund\)](#) – Published 2 Aug 21
- [Jaime Johns Money Management \(Madison Practice Manager\)](#) – Published 23 Jul 2021

## Social media posts

- Future Generation Partnership
- Small Companies June 2021 Results

