

**ASX RELEASE****DECEMBER 2019 QUARTER UPDATE****CLIME INVESTMENT MANAGEMENT LIMITED (“CIW”)****CLIME PASSES \$1 BILLION IN FUNDS UNDER MANAGEMENT**

The Board of Clime Investment Management Limited (CIW) is pleased to update shareholders with developments in the December 2019 Quarter.

**Summary**

The December 2019 quarter saw strong investment performance and FUM growth across all investment portfolios. In terms of FUM growth, Individually Managed Accounts grew 5%; Clime Capital grew 0.7%; Managed Funds grew 8.3%; and Separately Managed Accounts (SMAs) grew 14.9%. This is a pleasing result for shareholders.

**Interim Reported Profit**

On account of strong investment performance for the quarter, CIW expects its half-year statutory profit after tax to be materially higher than the first half of the prior financial year (H1 FY19 statutory profit after tax: \$0.21m).

**Assets Under Management (AUM)**

Clime’s investment products and mandates include Managed Funds, Clime Capital (LIC), Separately Managed Accounts and Individually Managed Accounts. As at 31 December 2019, the gross balances across Clime’s investments were approximately \$1,019 million: up 6% from \$961 million at 30/9/19.

<b>FUM</b>	<b>31 Dec 2019</b>	<b>30 Sep 2019</b>	<b>Change</b>	<b>% change</b>
Clime Individually Managed Accounts (IMAs)	<b>\$485m</b>	\$462m	\$23m	5.0%
Listed Investment Company (Clime Capital Limited – ASX: CAM)	<b>\$143m</b>	\$142m	\$1m	0.7%
Managed Funds and mandates	<b>\$314m</b>	\$290m	\$24m	8.3%
Separately Managed Accounts (SMAs)	<b>\$77m</b>	\$67m	\$10m	14.9%
<b>TOTAL</b>	<b>\$1,019m</b>	<b>\$961m</b>	<b>\$58m</b>	<b>6.0%</b>

**Investment Performance**

Clime’s investment portfolios are managed according to our style of investing in quality stocks using a strong valuation discipline. Clime’s portfolios that are outperforming their relevant indices for the calendar year ended 31 December 2019 (net of fees and taxes) are shown below. Notably, two of Clime’s investment products were recently ranked in the Top 10 investments by Morningstar, as reported in the Australian Financial Review Chanticleer column on 14 January 2020.



Strategy	Investment type	Benchmark	1-year performance	Outperformance
<b>Australian Equities</b>				
Clime Australian Equities Growth Strategy	Individually Managed Account (IMA) <i>Wholesale investors only</i>	ASX200 Accumulation Index	28.6%	5.2%
Clime Smaller Companies Fund	Managed Fund <i>Wholesale and Retail investors</i>	ASX Smaller Companies Accumulation Index (50%) ASX Emerging Companies Accumulation Index (50%)	39.7%	27.7%*
Clime High Conviction Equities Strategy	Individually Managed Account (IMA) <i>Wholesale investors only</i>	ASX All Ordinaries Accumulation Index	41.0%	16.9%
CBG Australian Equities Fund	Managed Fund <i>Wholesale and Retail investors</i>	ASX200 Accumulation Index	30.5%	7.1%
Clime Australian Value Fund	Managed Fund <i>Wholesale and Retail investors</i>	Absolute Return (12%)	27.7%	15.7%
Clime Capital Limited (ASX: CAM)	Listed Investment Company <i>Wholesale and Retail investors</i>	ASX All Ordinaries Accumulation Index	29.1%	5.1%#
<b>Australian Income</b>				
Clime Australian Income Strategy	Individually Managed Account (IMA) <i>Wholesale investors only</i>	RBA Cash Rate + 3%	10.7%	6.5%
Clime Balanced Ethical Income Strategy	Individually Managed Account (IMA) <i>Wholesale investors only</i>	RBA Cash Rate + 3%	16.5%	12.3%
Clime Australian Income Fund	Managed Fund <i>Wholesale and Retail investors</i>	RBA Cash Rate + 3%	8.6%	4.4%

Strategy	Investment type	Benchmark	1-year performance	Outperformance
<b>Multi-Asset Class</b>				
Sterling Clime Conservative / Pension	Separately Managed Account (SMA) <i>Wholesale and Retail investors</i>	S&P/ ASX 200 Accumulation Index (20%) S&P/ ASX 200 A-REIT Accumulation Index (5%) MSCI World ex Australia Index in AUD (5%) Bloomberg Ausbond 0+ Year Index (60%) RBA Cash Rate (10%)	13.4%	2.0%
Sterling Clime Balanced	Separately Managed Account (SMA) <i>Wholesale and Retail investors</i>	S&P/ ASX 200 Accumulation Index (45%) S&P/ ASX 200 A-REIT Accumulation Index (5%) MSCI World ex Australia Index in AUD (10%) Bloomberg Ausbond 0+ Year Index (35%) RBA Cash Rate (5%)	19.7%	2.9%
Sterling Clime Growth	Separately Managed Account (SMA) <i>Wholesale and Retail investors</i>	S&P/ ASX 200 Accumulation Index (60%) S&P/ ASX 200 A-REIT Accumulation Index (5%) MSCI World ex Australia Index in AUD (15%) Bloomberg Ausbond 0+ Year Index (15%) RBA Cash Rate (5%)	24.6%	4.2%
Sterling Clime Australian Equities	Separately Managed Account (SMA) <i>Wholesale and Retail investors</i>	ASX200 Accumulation Index	28.0%	4.6%

\* From inception at 24 April 2017, the benchmark for the Clime Smaller Companies Fund Benchmark was CPI Trimmed Mean + 8% p.a.. This changed on June 30 2019 to the current benchmark of 50% of the ASX Small Ordinaries Accumulation Index and 50% of the ASX Emerging Companies Accumulation Index.

# Clime Capital (ASX: CAM) return is net of fees before tax.

## Strategic initiatives

During FY2019, Clime launched two strategic initiatives to enhance client engagement and growth of assets under management.

The first of these initiatives, Clime Private Wealth, delivers tailored private wealth advisory services for wholesale and sophisticated investors. Clime Private Wealth has improved client retention and introduced a new revenue line: fee-based Client Service and Advice. Client fee revenue is in line with management forecasts year-to-date.

The second of these initiatives is providing the national community of around 25,000 Australian financial advisers with access to Clime's high-quality investment products and services. This initiative is expected to further grow assets under management over time, driven by regulatory requirements for non-conflicted advice that mean financial advisers will utilise external investment management expertise to manage their clients' investments.

Clime has secured ratings for four managed funds and approval from 5 'dealer groups' to have our investments available on the group's Approved Product List (APL). In addition, Clime has the following Managed Funds and Separately Managed Accounts (SMA's) available for distribution on the following investment administration platforms:

Investment Product	Investment Administration Platform			
	Macquarie Wrap	Hub24	Netwealth	Praemium
CBG Australian Equities Fund	✓			
Clime Smaller Companies Fund		✓	✓	
Clime Australian Income Fund		✓	✓	
Clime International Fund			✓	
<b>Clime SMAs</b> <ul style="list-style-type: none"> <li>Multi-Asset Balanced</li> <li>Multi-Asset Growth</li> <li>Multi-Asset High Growth</li> </ul>				✓
<b>Sterling Clime SMAs</b> <ul style="list-style-type: none"> <li>Conservative / Pension</li> <li>Balanced</li> <li>Balanced / Pension</li> <li>Growth</li> <li>Australian Equities</li> </ul>			✓	✓

**Balance Sheet**

At 31 December 2019, CIW had approximately \$10.0 million of liquid capital. At the close-of-quarter share price of \$0.55 per share, CIW was capitalised at \$31 million.

**Conclusion**

Clime continues sound progress on growing and diversifying the group's revenue streams to become an integrated wealth management business. Further information and a dividend declaration will be provided in Clime's half-year update in late February 2020.

Thank you for your ongoing support.

**Rod Bristow**  
**Chief Executive Officer**

15 January 2020

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