



# Shareholder Update FY2019

**Rod Bristow**  
Chief Executive Officer

**Biju Vikraman**  
Chief Financial Officer

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# Clime Investment Management Limited

## Company Overview

- Diversified financial services business
  - Investment Management
  - Private Wealth Advice
  - Third party distribution
  - DIY investor platform
  - SMSF administration
- National footprint
  - Sydney (head office), Melbourne and Brisbane
  - 31 staff
    - 11 investment staff with >150 years' collective experience





# FY19 Highlights



MORE THAN  
**\$23M**

RETURNED TO SHAREHOLDERS IN DIVIDENDS AND  
CAPITAL RETURNS OVER THE LAST 10 YEARS

## Fund Ratings

★★★★  
Clime Smaller  
Companies Fund

★★★★★  
Clime Australian  
Income Fund

★★★★★  
Clime  
International Fund

★★★★★  
Clime CBG  
Australian Equities Fund



# FY19 Summary

## Financial results

**Assets Under Management (AUM) \$924M at 30/6/19**

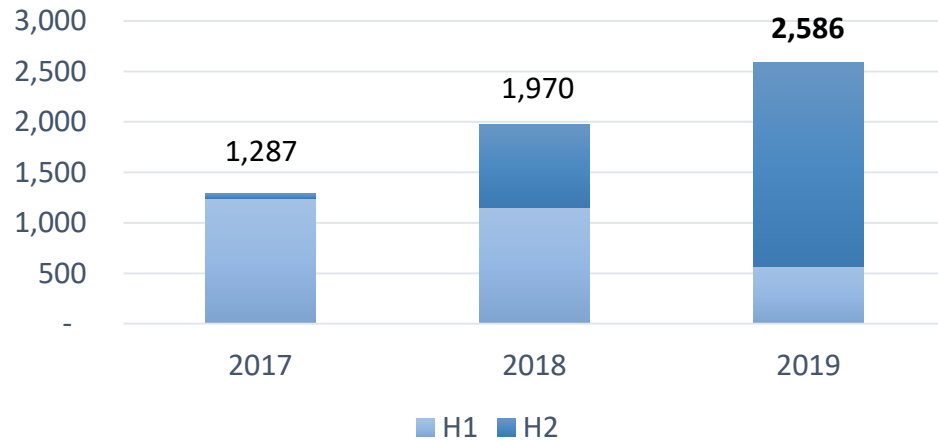
*Up 8.1% from \$855M at 30/6/18*

Item	30-Jun-19 (\$'000)	30-Jun-18 (\$'000)	Change (\$'000)	% Change
<b>Revenue</b>	<b>12,448</b>	<b>10,864</b>	<b>1,584</b>	<b>15%</b>
Net realised and unrealised gains on financial assets	759	89		
Occupancy expenses	(415)	(303)		
Administrative expenses	(10,219)	(8,683)		
Share of profit from joint venture	13	3		
<b>EBITDA</b>	<b>2,586</b>	<b>1,970</b>	<b>616</b>	<b>31%</b>
Depreciation and amortisation expense	(490)	(603)		
<b>Net profit before income tax (NPBT)</b>	<b>2,096</b>	<b>1,367</b>	<b>729</b>	<b>53%</b>
Income tax expense	(635)	(303)		
<b>Net profit after income tax (NPAT)</b>	<b>1,461</b>	<b>1,064</b>	<b>397</b>	<b>37%</b>

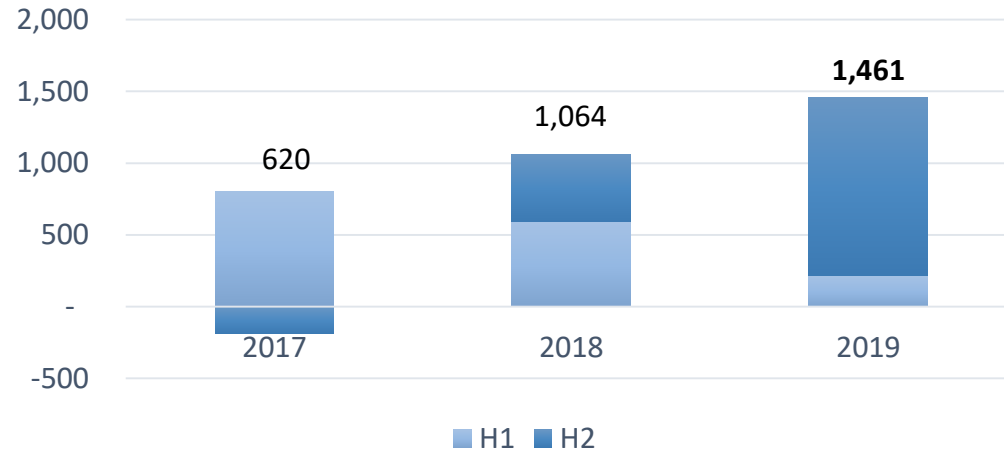


# Track record of growth

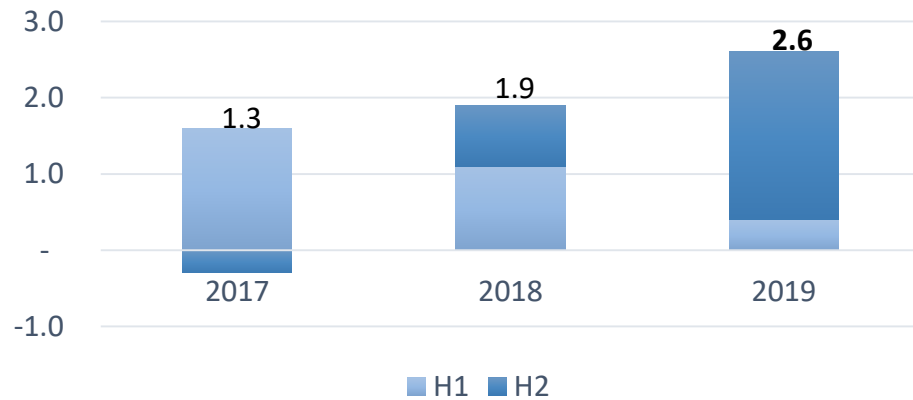
## EBITDA ('000)



## NPAT ('000)\*



## Earnings Per Share (cps)\*



Fully franked grossed up dividend yield of  
**6.3% p.a** based on 30 June 2019 closing price



*\*2017 NPAT and EPS adjusted for one off tax write back due to demerger of JASCO Ltd.*

# FY19 Operational Summary

## ● Disciplined FY19 strategy execution

- HR Framework
- Executive Management Team
- Investment Management
  - Integration of CBG acquisition
  - Evolution of investment process and methodology
  - New product: Clime Fixed Interest Fund
- Future growth
  - \$1.9M investment in Private Wealth Advice (launched Nov. 2018)
  - Third party distribution of Clime investment products
- Active on-market share buyback
  - 0.6M shares bought back in FY19 at an average price of \$0.46 per share



# Investment Products

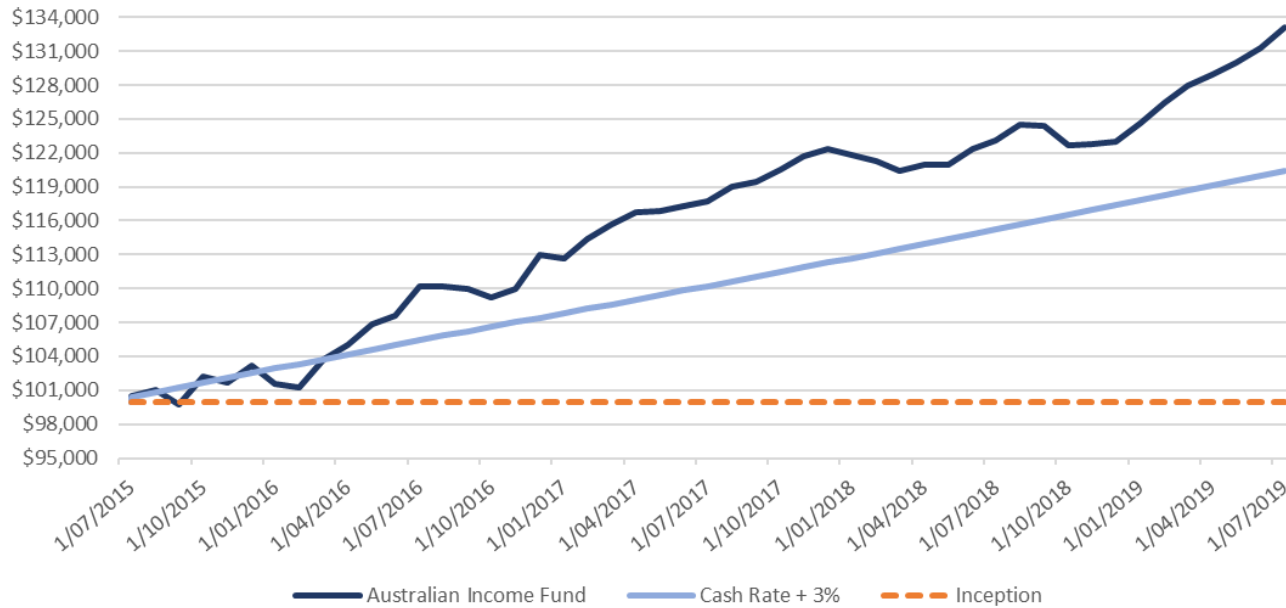
Investment type	Product	Suitable for...
Individually Managed Accounts (IMAs)	<ul style="list-style-type: none"> <li>All Cap Australian Equity IMA</li> <li>High Conviction Australian Equity IMA</li> <li>Income IMA</li> <li>Balanced Ethical Income IMA</li> </ul>	Suitable for Wholesale investors only
Separately Managed Accounts (SMAs)	<ul style="list-style-type: none"> <li>Clime Conservative Portfolio</li> <li>Clime Balanced Portfolio</li> <li>Clime Growth Portfolio</li> <li>Clime High Growth Portfolio</li> </ul>	Suitable for Wholesale and Retail investors
Managed Funds	<ul style="list-style-type: none"> <li>Clime CBG All Cap Australian Equity Fund</li> <li>Clime Smaller Companies Fund</li> <li>Clime International Fund</li> <li>Clime Australian Income Fund</li> <li>Clime Fixed Interest Fund</li> </ul>	Suitable for Wholesale and Retail investors (Clime Fixed Interest Fund wholesale only)
Listed Investment Company*	<ul style="list-style-type: none"> <li>Clime Capital Limited (ASX: CAM)</li> </ul>	Suitable for Wholesale and Retail investors



*\*CAM announced bid for CBG Capital Ltd (ASX: CBC) on 18/6/19  
Takeover will create single LIC with approx. \$138M assets*



Australian Income Fund vs Cash Rate + 3%

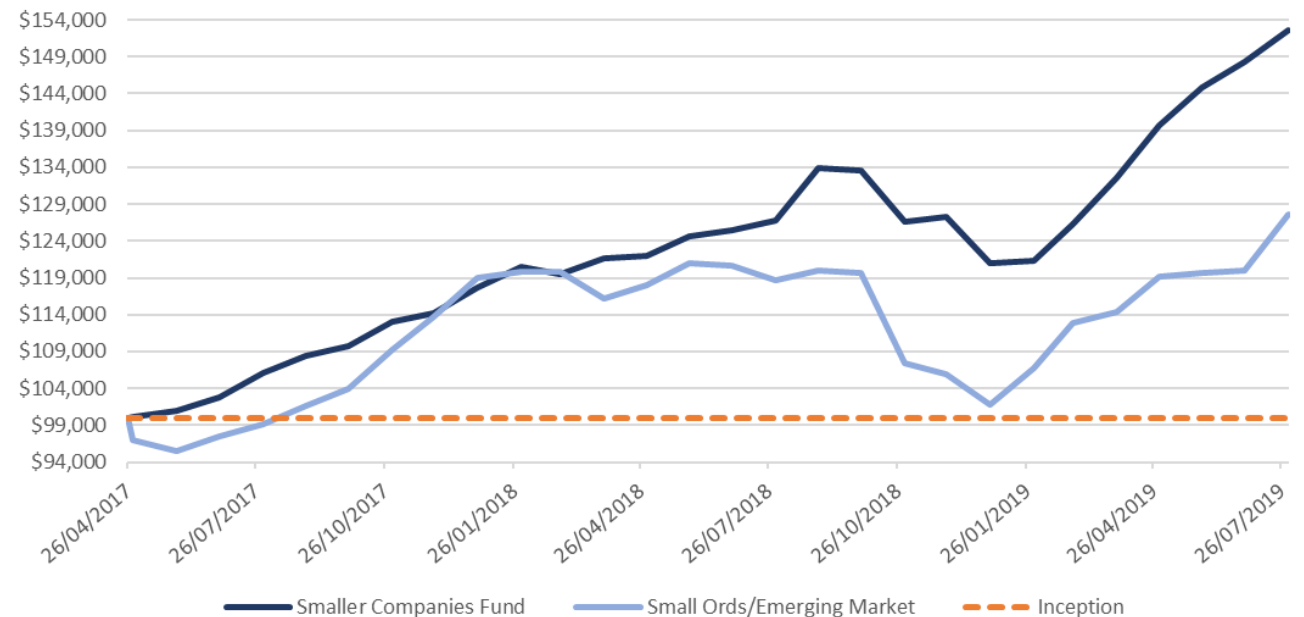


**7.26% annualised net return (after fees)**

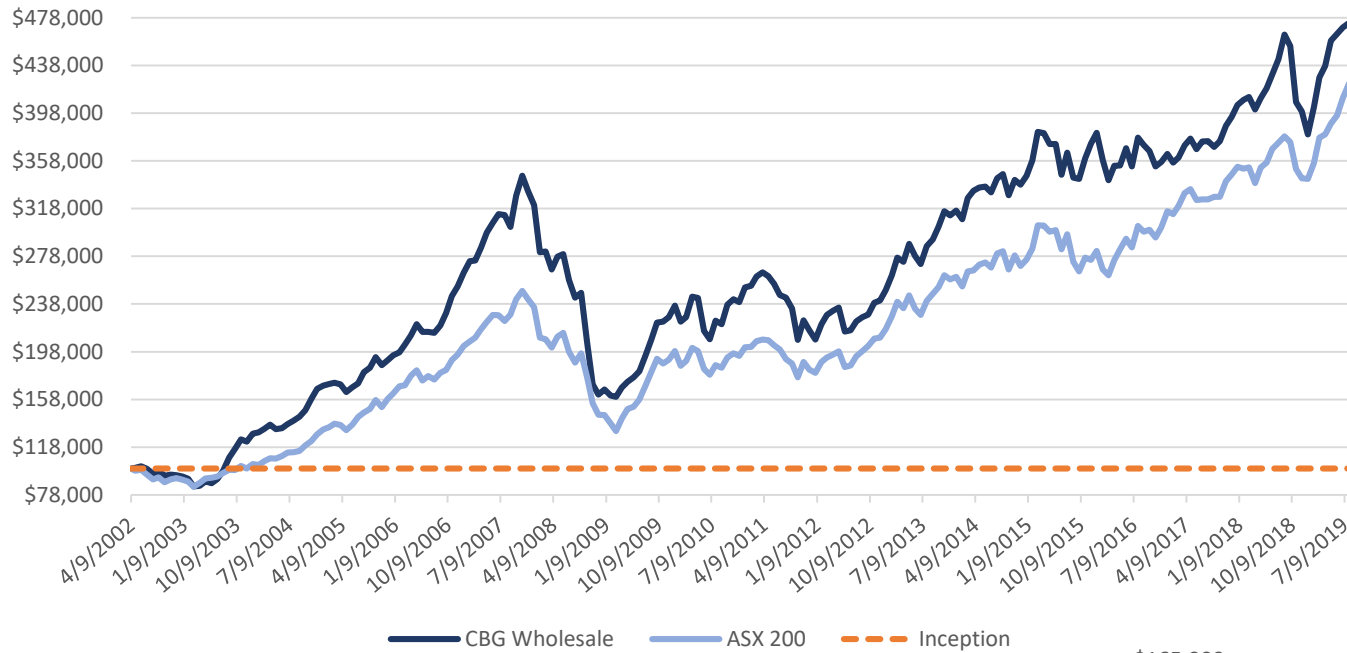
# Outstanding Investment Performance

**20.54% annualised net return (after fees)**

Smaller Companies Fund vs Small Ords/Emerging Market



CBG Wholesale vs ASX 200

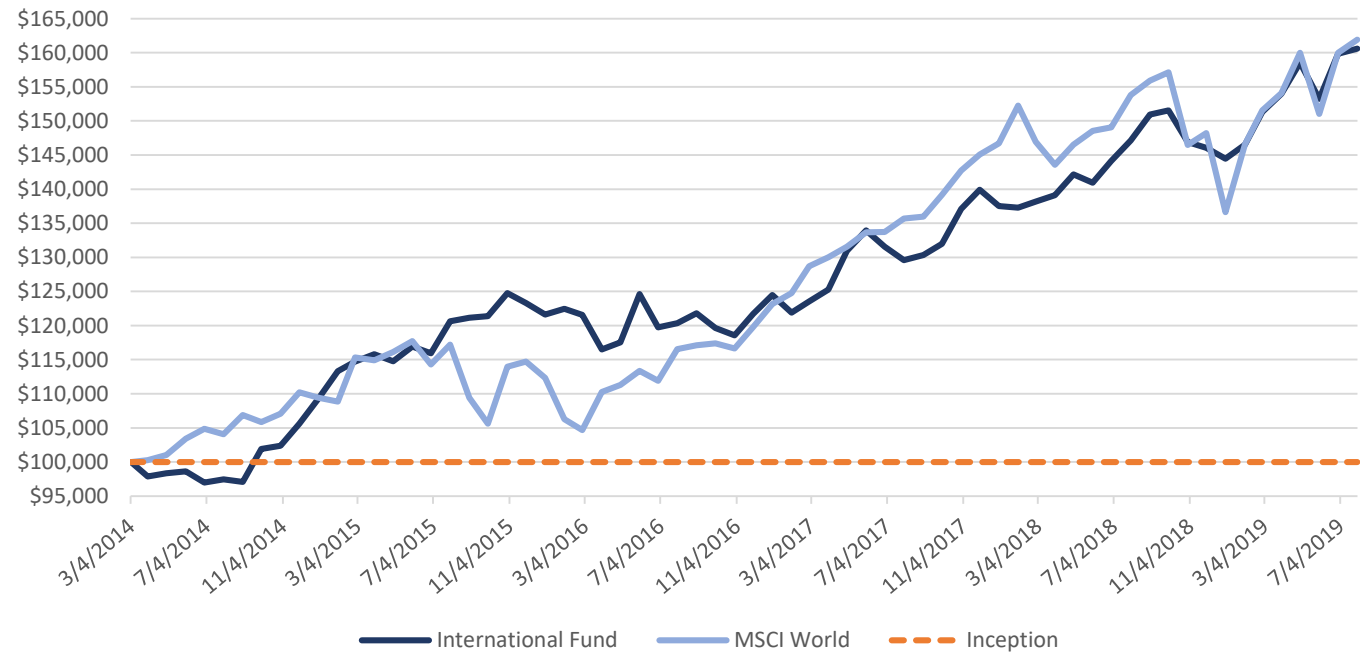


7.16% annualised net return (after fees)

# Outstanding Investment Performance

9.18% annualised net return (after fees)

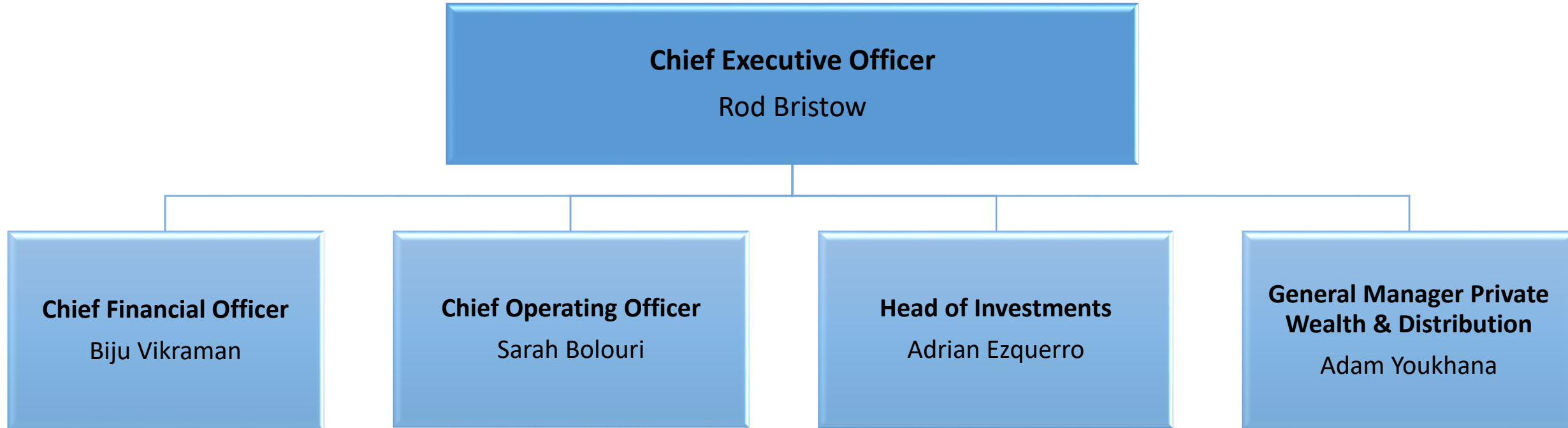
International Fund vs MSCI World



# Market positioning

Operating Segment	Market Position	Clime Positioning
<b>Investment Management</b>	<ul style="list-style-type: none"> <li>– Crowded market</li> <li>– Passive investments gaining market share</li> <li>– Insourcing of investment management by large super funds</li> </ul>	<ul style="list-style-type: none"> <li>– Robust investment process delivering positive returns that demonstrates the benefits of active management</li> <li>– Niche strategies to differentiate (All Cap, Smaller Companies, Fixed Income)</li> </ul>
<b>Private Wealth Advice</b>	<ul style="list-style-type: none"> <li>– Lack of trust in retail financial advice</li> <li>– Value exchange for clients unclear</li> </ul>	<ul style="list-style-type: none"> <li>– Tailored wholesale financial advice</li> <li>– Multi-asset class investment solutions to deliver target returns at a defined level of risk</li> </ul>
<b>Third party distribution</b>	<ul style="list-style-type: none"> <li>– Financial advice adjusting to post-Royal Commission operating model</li> <li>– Institutions exiting and non-aligned financial adviser segment growing</li> </ul>	<ul style="list-style-type: none"> <li>– Supporting financial advisers with sound investment performance, information and knowledge to empower their clients</li> </ul>
<b>DIY Investor Platform</b>	<ul style="list-style-type: none"> <li>– Structural change as competitive pressure on advice margins post Royal Commission</li> </ul>	<ul style="list-style-type: none"> <li>– Making finance simple with integrated information, investment execution and reporting for DIY Investors</li> </ul>
<b>SMSF Administration</b>	<ul style="list-style-type: none"> <li>– Fragmented market</li> </ul>	<ul style="list-style-type: none"> <li>– Ease and convenience for Private Wealth clients to have assets managed and reported within the one group</li> </ul>

# Executive Management Team



# Outlook

- **Clime is at a key scale point**
- We continue to focus on enhancing return on equity through
  - Organic growth
  - Business simplification and technology efficiency
  - Mergers and acquisitions that deliver scale and optimize operational leverage







Thank you