

27 January 2023

Company Announcements  
Australian Securities Exchange

## **Clime (ASX: CIW) December Quarter Update**

- **Group Funds under Management and Administration \$5.5 billion**
- **Strong equity portfolio returns outperforming benchmarks**
- **MTIS integration tracking towards objectives**
- **Private Wealth expands and attracts high quality clients**
- **Strategic alliances with Marcus Today and Torica Capital beginning to yield new business and investment opportunities**

The Board of Clime Investment Management Limited ('Clime' or 'the Company' or 'the Group') is pleased to advise shareholders that following the Company's annual results announcement on the 29<sup>th</sup> August 2022, Clime has completed the acquisition of Ralton Asset which is now a fully owned subsidiary of the Group.

As previously announced, Will Riggall was appointed Group CIO and leads the SMA portfolio management. Bespoke SMA demand has increased in line with the FY23 strategic objectives and the Company expects solid inflows to occur over calendar 2023.

The integration of MTIS Wealth Management (MTIS) is tracking towards the strategic and financial objectives set at the time of the merger of MTIS into Clime Group. During the December quarter several events were held with MTIS clients which were positively received, demonstrating the Group's ability to leverage education expertise and capabilities.

A national investor roadshow was conducted in November/December 2022 which was also well attended.

### **Strategic Alliances**

The Group continue to drive commercial and client opportunities from the strategic alliances held with Marcus Today and Torica Capital.

As a result of these collaborations, the Group has identified client and investment management synergies as part of our medium to long term strategic plan. The additional capabilities and services provided between all parties is creating momentum for client growth, increasing assets under management and private wealth services.

Whilst early in formation, we have recognised additional opportunities to be developed between all parties.

## Funds Under Management and Advice (FUM&A) as at 31 December exceeds \$5.5 billion.

Over the December quarter, funds under management (FUM) and advice (FUA) remained steady at approximately \$5.5 billion.

FUM/FUA comprises of:

- \$1.3 billion Direct funds under management via Independently Managed accounts (IMA), Separately Managed accounts (SMA), Managed accounts (MA) and managed funds;
- \$3.6 billion Funds under advice within the Madison network; and
- \$0.5 billion Funds under administration on the WealthPortal platform.

The following table provides specific detail of FUM&A across the CIW Group and changes since the September 2022 quarter:

| FUNDS AND INSURANCE PREMIUMS UNDER MANAGEMENT & ADVICE (Unaudited) | 31-Dec-22<br>\$mill | 30-Sep-22<br>\$mill | Change<br>\$mill | Change<br>%   |
|--|---------------------|---------------------|------------------|---------------|
| <b>FUNDS UNDER MANAGEMENT (FUM)</b>                                |                     |                     |                  |               |
| Individually Managed Accounts (IMAs)                               | \$574               | \$507               | \$67             | 13.2%         |
| Clime Capital Limited (Listed Investment Co.)                      | \$159               | \$149               | \$10             | 6.7%          |
| Managed Funds and mandates   | \$260*              | \$280               | (\$20)           | (7.1%)        |
| Separately Managed Accounts (SMAs)                                 | \$312               | \$308               | \$4              | 1.3%          |
| <b>TOTAL FUM</b>   | <b>\$1,305</b>      | <b>\$1,244</b>      | <b>\$61</b>      | <b>4.9%</b>   |
| <b>FUNDS &amp; INSURANCE PREMIUMS UNDER ADVICE (FUA)</b>           |                     |                     |                  |               |
| Funds under administration – WealthPortal <sup>1</sup>             | \$521               | \$522               | (\$1)            | (0.3%)        |
| Funds under Advice   | \$3,631             | \$3,728             | (\$97)           | (2.6%)        |
| Insurance Premiums Under Advice                                    | \$50                | \$50                | \$0.1            | 0.2%          |
| <b>TOTAL FUA</b>   | <b>\$4,202</b>      | <b>\$4,300</b>      | <b>(\$98)</b>    | <b>(2.3%)</b> |
| <b>TOTAL FUM&amp;A</b>   | <b>\$5,507</b>      | <b>\$5,544</b>      | <b>(\$37)</b>    | <b>0.7%</b>   |

\*During the quarter \$17 million (September: \$17 million) from Clime Fixed interest Fund transitioned from Clime Investment Management limited to Torica Capital, Clime's strategic alliance partner for fixed income.

## Investment Performance

Clime's investment philosophy seeks to leverage the insights generated by our team of investment management experts to deliver sustainable growth in capital and income across asset classes. Pleasingly our expanding set of investment solutions have achieved these dual objectives this financial year.

The highlight for the December quarter and year to date has been the outperformance from our listed investment company, Clime Capital (CAM.ASX) delivering sector leading performance of +17.6% since the 1<sup>st</sup> July 2022, +7.9%

<sup>1</sup> WealthPortal Pty Ltd (WealthPortal) is a wholly owned subsidiary of CIW. WealthPortal is a 'white-label' of IRESS' investment platform, providing asset management and reporting solutions for clients of Financial Advisers licensed by various AFSL holders including but not limited to Madison Financial Group Pty Ltd (Madison).

<sup>2</sup> \*Performance is gross of fees and taxes

ahead of the All Ordinaries Accumulated Index. This has been achieved through a combination of sector and stock selection with investors benefiting from our high conviction portfolio construction.

The disciplined research, stock selection and portfolio construction process undertaken by the Clime investment management team is also evident in the set of Ralton portfolios now fully integrated into the Clime Group. These are accessible by both retail and wholesale clients through Australian equity and multi asset IMA and SMA strategies. The strong track record of the flagship Ralton Concentrated Australian Equity portfolio continues to deliver having returned +10.7% and +6.3% over 6 months and one year respectively, +8.1% ahead of its index for the 2022 calendar year. Clime Multi-Asset SMA portfolios now available on BT, Praemium, OneVue and most recently Netwealth have also delivered solid returns in a challenging year where both bonds and equities sold off.

Our investment management team remains focused on delivering investment solutions to our clients with portfolios available across managed account and unit trust structures. Our expanding multi asset strategy suite leverages our competitive advantage in portfolio solution design, investment capability and scale to enable access to global leading fund managers. We will continue to invest in this growing segment of the market and expect the managed account market to be a core driver of growth for Clime going forward.

### **Outlook for second half of FY23**

A growing industry demand for managed accounts, the private wealth merger with MTIS, the full acquisition of Ralton, and the strategic alliances with Torica and Marcus Today positions the Clime Group to provide high quality, diversified investment solutions across market segments.

Alongside these strategic alliances, our Distribution and Investment teams have engaged with several external Asset Consultants, identifying opportunities to expand the reach of Group SMA and investment solutions.

The strong performance of the CAM portfolio has resulted in a solid recovery in the CAM share price and a revaluation that will flow through into the CIW December 2022 half year results and may lead to Clime earning performance fees throughout FY23.

As part of our ongoing education program, several client and adviser events are planned for the coming year, commencing in February. We look forward to reconnecting with our Private Wealth and MTIS client events.

We thank shareholders, investors and advisers for their ongoing support of Clime and look forward to providing our December 2022 half year results in February 2023.

This announcement is approved by the Board of Directors of Clime Investment Management Limited for release to the ASX.

For enquiries, please contact Annick Donat (CEO) on 1300 788 568 or via email at [info@clime.com.au](mailto:info@clime.com.au).

### **Forward Looking Statements**

Certain statements in this document are or maybe “forward-looking statements” and represent CIW’s intentions, projections, expectations, or beliefs concerning among other things, timing of activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve uncertainties and other factors, many of which are beyond the control of CIW, and which may cause CIW’s actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. CIW does not make any representation or warranty as to the accuracy of such statements or assumptions.