



Clime Investment Management Limited Coffee Microcaps Presentation

24 September 2020

Rod Bristow
Chief Executive Officer

Disclaimer

The information contained in this presentation is published by the Clime Group. 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 advisor 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. Clime Asset Management Pty Limited (Clime), its group companies, (Stocks In Value Pty Ltd) employees and agents make no representation and give no accuracy, reliability, completeness or suitability of the information contained in this document and do not accept responsibility for any errors, or inaccuracies in, or omissions from this document; and shall not be liable for any loss or damage howsoever arising (including by reason of negligence or otherwise) as a result of any person acting or refraining from acting in reliance on any information contained herein. No reader should rely on this document, as it does not purport to be comprehensive or to render personal advice.

Past performance is not a guarantee of future returns.

Agenda

01

Clime Overview

02

FY20 Highlights

03

FY20 Financials

04

Outlook

Clime Overview



Clime Investment Management (ASX: CIW)

- **Diversified financial services business**
 - Investment Management
 - Wealth Management
 - Investor Education
- **Our Values are Integrity, Transparency and Conviction**

Clime Investment Management (ASX: CIW)

Listed on ASX
in 2001

Over \$4.6Bn

Group funds under
management and advice

42

Team members based in
Sydney, Melbourne &
Brisbane

- Established in 1996 as Loftus Pooled Development Limited and listed on the ASX in 2001
- Acquired Clime Asset Management in 2004 and changed name to Clime Investment Management Limited (ASX: CIW)
- Solutions include investor education; direct to consumer stock research; retail financial advice; private wealth (wholesale financial advice); and investment solutions
- Investment process focused on investing in quality stocks with a strong valuation discipline
- Investment products include specialist smaller companies and Australian income managed funds; listed investment company Clime Capital Ltd (ASX: CAM); individually managed accounts (IMAs); and separately managed accounts (SMAs)
- Acquired CBG Asset Management July 2017
- Launched Clime Private Wealth November 2018
- Acquired Madison Financial Group (MFG) June 2020

FY20 Highlights



FY 20 Highlights

- **Disciplined strategy execution**
 - Clarity on where we compete and how we win
 - Efficiency and lower operating costs
- **COVID-19 impact**
- **Madison Financial Group acquisition**
 - Building out Wealth Management with retail financial advice expertise
- **Momentum and growth in underlying business**
 - Robust growth in operating earnings
 - Good performance to non-financial metrics
 - Significant scale with >\$4.5Bn in Funds Under Management and Advice

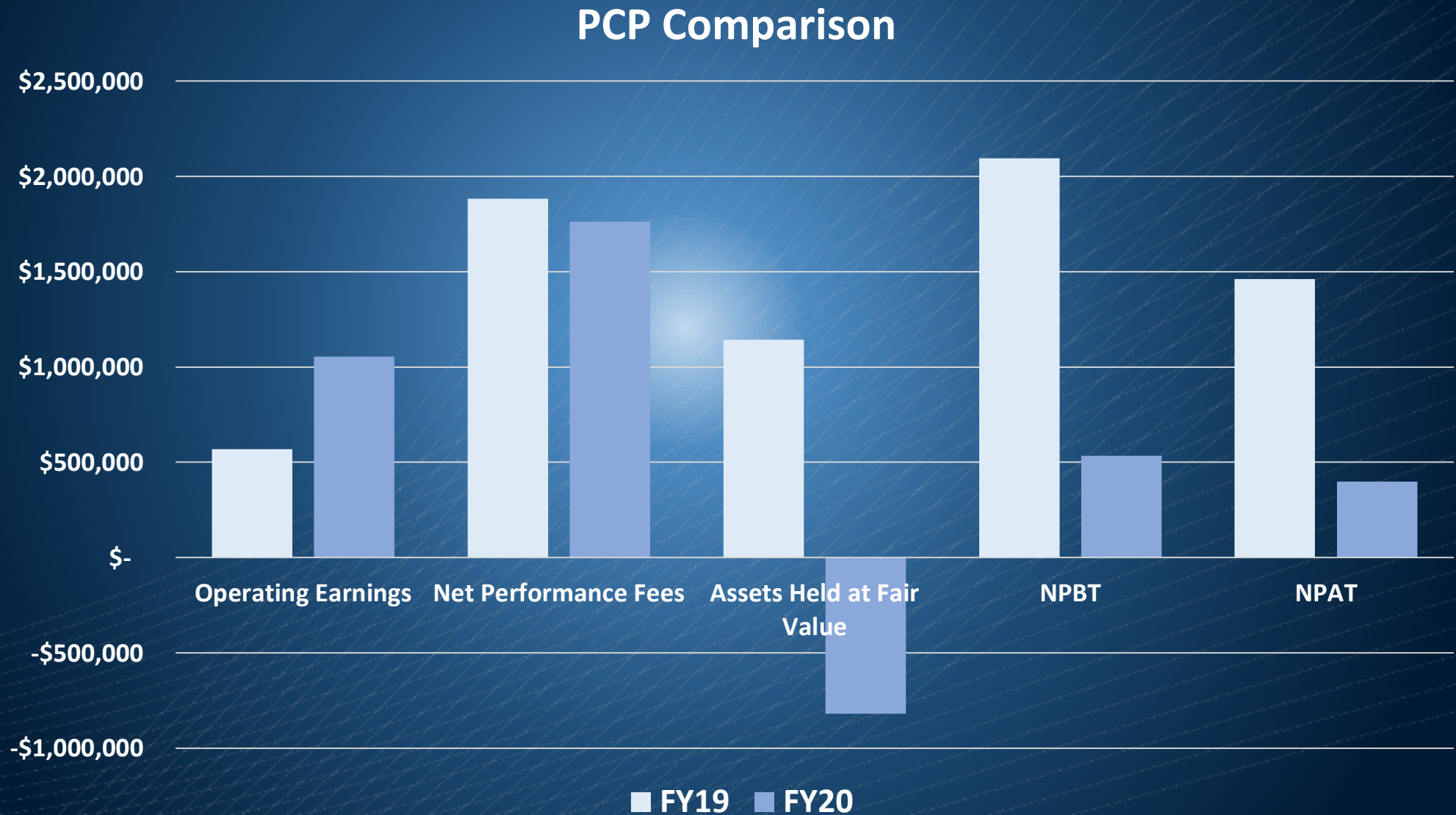
FY20 Financials



FY 20 Summary

- Operating earnings **up 86%** on PCP to \$1.05M
- Net Performance Fees **down 6%** on PCP to \$1.76M
- Assets held at fair value on balance sheet **down 172%** on PCP to (\$0.82M)
- Net Profit Before Tax **down 74%** on PCP to \$0.5M
- Net Profit After Tax **down 73%** to \$0.4M

FY 20 PCP Comparison



Outlook



Investment Solutions

Investment type	Solution	Suitable for...
Individually Managed Accounts (IMAs)	<ul style="list-style-type: none"> • All Cap Australian Equity IMA • High Conviction Australian Equity IMA • Income IMA • Balanced Ethical Income IMA 	Wholesale investors only
Separately Managed Accounts (SMAs)	<ul style="list-style-type: none"> • Clime Multi-Asset Portfolios • Proactive Portfolios Multi-Asset SMAs • Sterling Clime Multi-Asset Portfolios 	Wholesale and Retail investors
Managed Funds	<ul style="list-style-type: none"> • Clime Smaller Companies Fund • Clime Australian Income Fund • Clime All Cap Australian Equity Fund • Clime International Fund • Clime Fixed Interest Fund* 	Wholesale and Retail investors <i>(Clime Fixed Interest Fund wholesale only)</i>
Listed Investment Company	<ul style="list-style-type: none"> • Clime Capital Limited (ASX: CAM) 	Wholesale and Retail investors

Investment Solutions – Fund Ratings



Clime Smaller Companies Fund

SUPERIOR



Clime Australian Income Fund

SUPERIOR

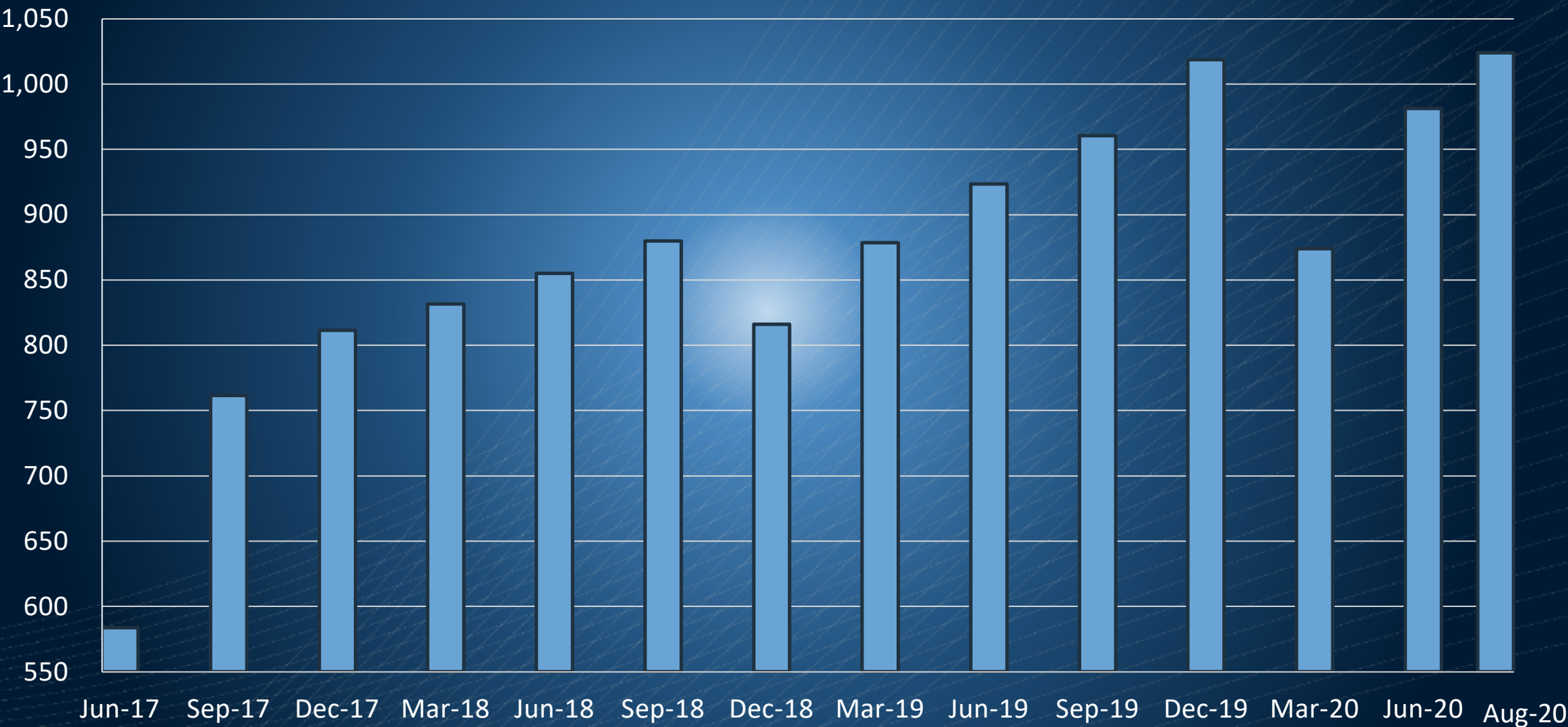


Clime International Fund

SUPERIOR



Clime Gross FUM (\$M) recovering strongly



Wealth Management

- **Clime's Wealth Management services are available for retail and wholesale clients**
 - **Madison Financial Group (MFG) is the group's retail wealth management solution**
 - Acquired in June 2020, MFG supports the provision of quality financial advice through a national network of over 100 highly qualified, experienced financial advisers
 - **Clime Private Wealth is the group's wholesale wealth management solution**
 - Launched in 2019, Clime Private Wealth provides holistic advice and investment solutions for high net worth and sophisticated investors

Wealth Management – Retail

Funds Under Advice	30 June 2020
Wealth Portal [#]	\$749 million
Other Investment Platforms	\$2,796 million
Insurance Premiums	\$74 million
TOTAL	\$3,618 million

Wealth Portal is a 'white-label' of OneVue's investment platform providing integrated asset management and reporting solutions for clients of financial advisers licensed by various AFSL holders including Madison Financial Group

Investor Education

- **FY20 national program (including via Zoom from March 2020)**
 - 30 Investor Education events
 - Total of 1,100 participants nationally
- **Newsletters and publications**
 - >5,000 active subscriptions to ‘The View’, weekly investment newsletter
 - 108 Reports on market outlook and Managed Fund performance
 - 50 investor video updates
 - 111 print and 15 televised media appearances

Investor Education

- **Clime Direct**

- DIY Investor Platform
 - Clime Analyst research
 - Proprietary Clime Quality Filter for stock selection and portfolio construction
 - Direct SMA Portfolios for DIY investors (launched March 2020)
- 1500 Clime Direct demonstrations (FY20)
- 900 active subscriptions at June 30

www.climedirect.com.au

Outlook

- **Continued uncertainty from COVID-19**
 - Ongoing Central Bank support key for market stability
- **Headwinds**
 - Successfully scaling with right people, systems and processes
 - Sustaining competitive advantage in rapidly changing environment
- **Tailwinds**
 - Wealth management regulatory certainty
 - Market dislocation – opportunity
 - Empowerment of end consumer supporting direct to client model



Thank you