

22 July 2022

Company Announcements  
Australian Securities Exchange

## Clime (ASX:CIW) June Quarter Update

- **Group FUM&A \$5.1 billion**
- **CIW closes FY22 with the acquisition of a Private Wealth business**
- **Madison Financial Group grows adviser network by 10%**

The Board of Clime Investment Management Limited (CIW or the Company or the Group) is pleased to advise shareholders that following the Company's announcement on 19<sup>th</sup> May 2022 regarding the acquisition of MTIS Wealth Management (MTIS), Clime has commenced integration of the successful Melbourne-based business.

The integration of MTIS into Clime Private Wealth (CPW) takes the **Group's private wealth assets to in excess of \$800 million Australia wide**. The expansion of the Company's private wealth business further supports our commitment to serving the needs of self-directed investors.

The MTIS acquisition follows Clime's recent acquisition of 75% of Ralton Asset Management (introducing SMA/MDA investment solutions) and the strategic alliance with Torica Capital (fixed income and credit solutions).

### Marcus Today

The Board is also pleased to advise shareholders that a strategic alliance has been negotiated whereby Clime provides both licensing and collaborative services to respected educational services and research business Marcus Today Pty Ltd. As Clime and Marcus Today have a similar culture and integrity, both businesses look forward to working together for the benefit of their client and adviser bases.

### Funds Under Management and Advice (FUM&A) as at 30 June is in excess of \$5 billion

Despite market drawdowns across asset classes over the June quarter being in excess of 10%, funds under management (FUM) and advice (FUA) declined by approximately 5%.

FUM/FUA is comprised of:

- Direct funds under management via Independently Managed accounts (IMA), Separately Managed accounts (SMA), Managed accounts (MA) and managed funds of \$1.2 billion.
- Funds under advice within the Madison network of \$3.9 billion; and
- Funds under administration on the WealthPortal platform.

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

<b>FUNDS AND INSURANCE PREMIUMS UNDER MANAGEMENT AND ADVICE (Unaudited)</b>	<b>30 June 2022</b>	<b>31 March 2022</b>	<b>Change</b>	<b>% Change</b>
<b>FUNDS UNDER MANAGEMENT</b>				
Individually Managed Accounts (IMAs)	<b>\$508 million</b>	\$567 million	(\$59 million)	(10.4%)
Clime Capital Limited (Listed Investment Company)	<b>\$145 million</b>	\$165 million	(\$20 million)	(12.1%)
Managed Funds and mandates	<b>\$285 million</b>	\$336 million	(\$51 million)	(15.2%)
Separately Managed Accounts (SMAs)	<b>\$269 million</b>	\$311 million	(\$42 million)	(13.5%)
<b>TOTAL FUNDS UNDER MANAGEMENT</b>	<b>\$1,207 million</b>	<b>\$1,379 million</b>	<b>(\$172 million)</b>	<b>(12.5%)</b>

<b>FUNDS AND INSURANCE PREMIUMS UNDER ADVICE</b>				
Funds under administration – WealthPortal <sup>1</sup>	<b>\$527 million</b>	\$592 million	(\$65 million)	(11.0%)
Funds under Advice	<b>\$3,335 million</b>	\$3,386 million	(\$51 million)	(1.5%)
Insurance Premiums Under Advice	<b>\$53 million</b>	\$48 million	\$5 million	9.9%
<b>TOTAL FUNDS AND INSURANCE PREMIUMS UNDER ADVICE</b>	<b>\$3,915 million</b>	<b>\$4,026 million</b>	<b>(\$111 million)</b>	<b>(2.8%)</b>
<b>TOTAL FUM&amp;A</b>	<b>\$5,122 million</b>	<b>\$5,405 million</b>	<b>(\$283 million)</b>	<b>(5.2%)</b>

## Investment Management

Ralton Managed Accounts have had a strong quarter of performance with all Ralton portfolios delivering returns ahead of their respective indices in the June quarter. Ralton's managed accounts have retained their 'Approved' rating from Zenith, acknowledging the investment process and experience of the Clime investment team. Clime/Ralton is pleased to advise that it has identified a number of SMA/MDA mandate opportunities that are expected to be negotiated over the next 6 months.

With an expanding suite of products across platforms within both SMA and IMA structures, underpinned by recent strong performance and adviser demand, the Group enters the 2023 financial year with solid growth momentum.

The Clime investment team is utilising its cross-asset expertise to build solutions to support advisers to deliver improved investment outcomes for their clients while supporting the efficiency and growth of their businesses.

As we head into an environment of rising interest rates and inflationary pressure, Clime's Australian Income Fund has delivered superior returns on an absolute and risk adjusted basis. With the current market uncertainty, we are well positioned to offer a suite of high-quality diversified income solutions, drawing on the expertise of the Torica Capital investment team. Following a transitional period, Clime's equity funds are re-positioned to benefit from our philosophy of identifying and investing in high quality, growing companies at discounts to intrinsic value.

Clime's Listed Investment Company (LIC), Clime Capital (CAM.ASX), has seen the benefit of this process with the share price now trading at a premium to NTA with a solid 6.4% fully franked dividend yield paid quarterly.

<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).



## Outlook and positioning for FY23

After a turbulent June quarter in asset markets, the CIW Board believes the Group is well positioned for solid operational growth in FY23. As was the case during June quarter 2020, the CIW balance sheet and the capital support of shareholders allowed the group to strategically expand whilst both markets and participants in markets encountered turmoil.

The growing industry demand for managed accounts, the private wealth acquisition of MTIS, the acquisition of 75% of Ralton, and the strategic alliances with Torica and Marcus Today enables the Group to be well placed to provide high quality, diversified investment solutions across market segments.

As we close the June quarter **Madison Financial Group (MFG) has seen an uplift in adviser numbers of approximately 10%** on the previous financial year. We continue to attract high quality practices and are delighted to welcome them into our adviser community. We are pleased to inform shareholders of adviser growth within MFG in contrast to the 35% contraction in the number of advisers in Australia since the Royal Commission.

Work continues to streamline operating infrastructure in preparation for a solid FY23 growth trajectory. Shareholders can expect to see further growth initiatives brought to market in the coming months.

Following the acquisition of MTIS the Group retains \$8 million of liquid capital and well positioned to fund further opportunities.

We thank shareholders, investors, and advisers for their ongoing support of Clime. We look forward to providing the strategic outlook for FY23 in our upcoming FY22 announcement and Annual Report.

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

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