

30 April 2024

Company Announcements
Australian Securities Exchange

Clime (ASX: CIW) March Quarter update

- **CIW funds under management (FUM) increased by 2.3% over the quarter**
- **Group FUM&A \$5.2 billion**
- **Managed Accounts FUM increases by 10.2%**
- **Clime Smaller Companies Fund continues to outperform**
- **Q3 FY24 profitable on a normalised basis**

Dear Shareholders,

We are pleased to present our quarterly update for March 2024 quarter, marked by steady inflows into our managed funds and Separately Managed Accounts (SMAs), and the continued growth of our Private Wealth business.

Key items during the quarter:

In line with previously disclosed efforts to reduce fixed costs, the company has produced a profitable quarter on a normalised basis. Costs reduction benefits continue to flow through in line with the expense review conducted in Q2FY24. During April, the investment team secured a new mandate into the Clime Australian Income Fund (CAIF), demonstrating our continued ability to attract and manage assets effectively. Additionally, our Smaller Companies Fund maintained its strong performance against its benchmark.

The quarter saw increased inflows into CIW managed funds and SMAs, primarily driven by our Private Wealth business. In April we secured a further material mandate which increases FUM by 3.4%

The reduction in funds under advice from Madison Financial Group are primarily due to the sale of two practices due to planned succession which occurred outside the group. Madison continues to receive inquiries from firms seeking to join our Australian Financial Services License (AFSL), indicative of the reputation and appeal of our regulatory framework and community.

As part of our commitment to streamline operations, we have reduced the number of directors from six to four providing a saving of \$60K+ per annum.

Throughout the quarter, we hosted investor and client seminars nationwide, which generated new opportunities within our Private Wealth division, further expanding our client base.

Outlook: June Quarter

A strategic review was commenced during the March quarter to refocus the company on its key strengths of asset management and wealth advice to mass affluent families and not-for-profit associations. We expect the June quarter to continue in line with the March quarter as the increased revenue from funds and management and the cost reduction initiatives are realised.

Looking ahead, we are focused on the relaunch of Clime Direct, enhancing our platform's investment and reporting capabilities to better serve our clients' needs.

We are committed to working closely with our Private Wealth clients to facilitate their transition to our enhanced platform, which has been well-received and is driving increased share of wallet.

Overall, we are pleased with our performance this quarter and are positive regarding the opportunities ahead, particularly those that will flow from a relaunch of Clime Direct.

Funds Under Management and Advice (FUM&A) as at 31 March 2024 is \$5.2 billion

FUM/FUA is comprised of:

- \$1.3 billion Direct funds under management via Individually Managed accounts (IMA), Separately Managed accounts (SMA), and managed funds; including Clime Capital
- \$3.5 billion Funds under advice within the Madison network; and
- \$0.4 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 December 2023 quarter. Shareholders should note that CPW manages significant pension accounts that have regular pension payments. The reduction in WealthPortal (a badge of One Vue platform) is attributed to the recent announcements of the One Vue sale.

FUNDS AND INSURANCE PREMIUMS UNDER MANAGEMENT & ADVICE (Unaudited)	31-Mar-24 \$mill	31-Dec-23 \$mill	Change \$mill	Change %
FUNDS UNDER MANAGEMENT (FUM)				
Individually Managed Accounts (IMAs)	\$527	\$539	(12)	(2.2%)
Clime Capital Limited (Listed Investment Co.)	\$160	\$158	2	1.3%
Managed Funds and mandates	\$331	\$319	12	3.8%
Separately Managed Accounts (SMAs)	\$291	\$264	27	10.2%
TOTAL FUM	\$1,309	\$1,280	29	2.3%

FUNDS & INSURANCE PREMIUMS UNDER ADVICE (FUA)				
Funds under administration – WealthPortal ¹	\$361	\$470	(109)	(23.2%)
Funds under Advice	\$3,452	\$3,784	(332)	(8.8%)
Insurance Premiums Under Advice	\$51	\$56	(5)	(8.9%)
TOTAL FUA	\$3,864	\$4,310	(446)	(10.3%)

TOTAL FUM&A	\$5,173	\$5,590	(417)	(7.5%)
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¹ 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).

² The comparative information has been reclassified to conform with the latest categorisation of Funds Under Management (FUM).

March Quarter Investment update

Portfolios during the quarter benefitted from a strong end-of-year rally which extended through to March, aided by earnings upgrades and investors pricing in the eventuality of RBA rate cuts. Consumer and technology companies were more resilient than feared and performed well through January and February. However, sector preferences shifted coming into March with a return of geopolitical uncertainty juxtaposed by indications that global economic growth is staging a recovery after a long period of slowing growth. Consequently, we saw more cyclical components of the Australian market including materials and energy sectors to take the lead.

In an environment marked by improving economic activity, rate cuts (albeit slower than expected) and productivity improvements we expect asset markets to continue to perform, underpinning our confidence that Clime's equity and multi asset portfolios should deliver further gains.

Clients invested in our portfolios benefited from strong asset markets. Over the last two years we have expanded our portfolio suite to incorporate the demand for multi asset solutions delivered direct to clients and via platform. This invested in the Clime Multi Asset Growth strategy have seen a 6.97% increase in portfolio values over the last quarter, and 14.97% over 1 year*, outperforming their benchmarks. The Clime Small Companies fund has outperformed its benchmark by 15% over the last 12 months and 3.2%# in the last quarter.

Reflective of the expanded product suite and the strong returns we have seen strong growth in the group's multi asset SMA's, delivering on Clime's stated strategy to grow our FUM within the SMA market and our differentiated fund strategies. The Clime Australian Income Fund is a special purpose fund with the objective to deliver clients income and growth at low volatility. We are pleased to note that post the end of the quarter the fund won a material \$50m mandate, this will be reflected in the June quarterly report.

While some investors display concerns if the strength of corporate profits can keep pace with investor optimism, we continue to see earnings growth as a key positive driver of ASX performance going forward. Clime remains optimistic on the outlook for the ASX and will continue to construct diversified portfolios with a focus on quality companies, and in particular take advantage of shorter-term pull backs in the market to re-allocate capital to attractive opportunities.

**Source: Praemium, performance is before fees and taxes and does not include the benefits of franking*

Performance is before fees and taxes

Conclusion

As announced in the December quarter, the expense reductions implemented are now reflected positively in the March quarter. We continue to monitor and review all expenses and commercial arrangements throughout the company as we transition to better technology platforms to increase efficiency gains. We extend our gratitude to our shareholders, investors, partners, and team members for their continued support as we navigate these transformative initiatives and work towards a future of sustained success and value creation.

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

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