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Clime Investment Management Limited

ABN 37 067 185 899

Level 13/20 Hunter Street,  
Sydney, NSW 2000 Australia

PO Box H90

Australia Square 1215 NSW

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P\_ 1300 788 568

P\_ 02 8917 2100

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E\_ [info@clime.com.au](mailto:info@clime.com.au)

W\_ [clime.com.au](http://clime.com.au)

26 February 2020

Company Announcements  
Australian Securities Exchange

**Investor Presentation H1 FY 2019 - 2020**

Attached is a copy of the Investor Presentation for H1 FY 2019 – 2020 of Clime Investment Management Limited authorised for release by the Board of Directors.

Please contact me on (02) 8917 2130 should you require any further details.

Biju Vikraman  
Company Secretary



clime

# Investor Presentation

H1 FY 2019 – 2020

February 26 2020

# Agenda

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Overview

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# 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.

# Overview

Rod Bristow– Chief Executive 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

- **National footprint**

- Sydney (head office), Melbourne and Brisbane
- 32 staff
  - 11 investment staff with >150 years' collective experience

# Market Positioning

Operating Segment	Market Position	Clime Positioning
Investment Management	<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>
Private Wealth Advice	<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>
Third party distribution	<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>
DIY Investor Platform	<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>

The background is a dark blue-tinted image of a financial newspaper page. It features several line charts showing stock price trends over time. Text visible on the page includes "DOW JONES", "EURO IN DOLLARS", and "AUSGABE: 21.45".

# Highlights

Rod Bristow– Chief Executive Officer

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# H1 FY 20 Highlights

- **Sound financial result**
  - Revenue up 40% on PCP to \$7.23M
  - Operating Earnings up 178% on PCP to \$1.59M
  - NPAT up 303% on PCP to \$0.8M
- **FUM up 10.3% on June 2019 to \$1.019Bn**
  - \$1.097Bn as at 14/2/20
- **Employee Engagement: 81%**
- **Net Promoter Score: 37**

The background of the slide is a dark blue overlay on a blurred image of a financial chart. The chart features several line graphs with white and yellow lines, and various numerical values and text labels in white and yellow. Visible text includes 'DOW JONES', 'EURO IN DOLLAR', 'AUSGABE: 21.45', and 'Veral'. The overall aesthetic is professional and financial.

# Financial Results

Biju Vikraman – Chief Financial Officer

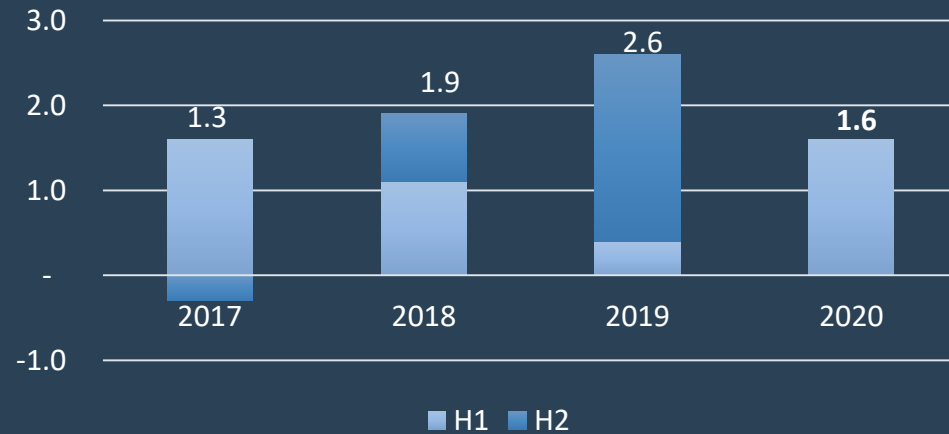
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# H1 FY 20 Summary

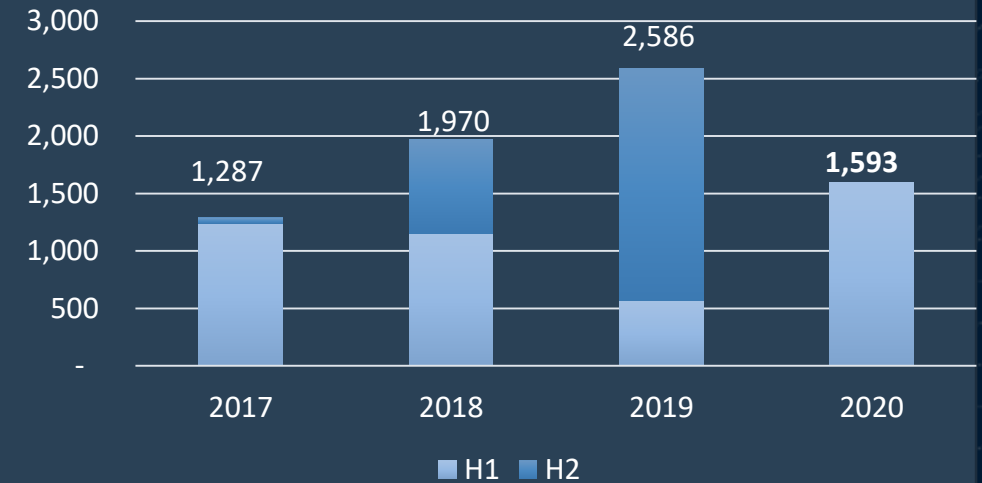
Item	31-Dec-19 (\$'000)	31-Dec-18 (\$'000)	Change (\$'000)	% Change
Revenue	7,228	5,154	2,074	40%
Net realised and unrealised gains on financial assets	70	34		
Occupancy expenses	(112)	(160)		
Administrative expenses	(5,593)	(4,473)		
Share of profit from joint venture	-	17		
Operating Earnings	1,593	572	1,021	178%
Finance costs	(37)	-		
Depreciation and amortisation expense	(354)	(245)		
Net profit before income tax (NPBT)	1,202	327	875	268%
Income tax expense	(339)	(113)		
Net profit after income tax (NPAT)	863	214	649	303%

# Track Record of Growth

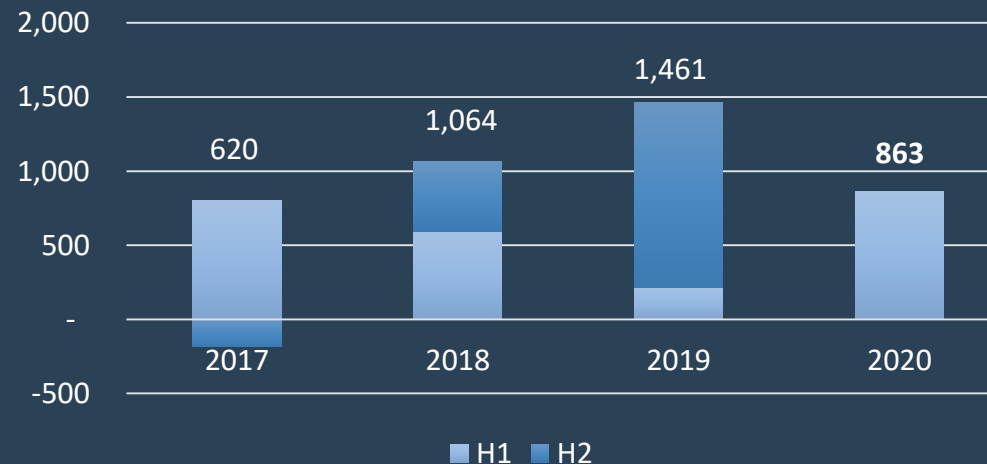
## Basic Earnings Per Share (cps)\*



## EBITDA ('000)



## NPAT ('000)\*



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



# Business Update

Rod Bristow – Chief Executive Officer

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# H1 FY 20 Business Update

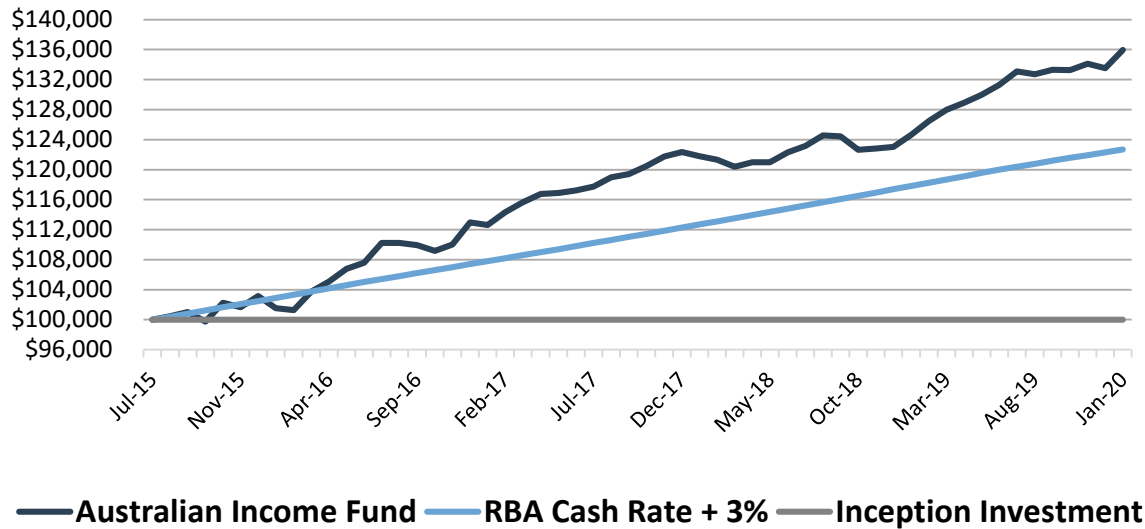
- **Certainty through strategy execution**
- **Strong balance sheet**
  - \$3.81M cash
  - \$6.29M in liquid investments
- **Dividend payments while delivering growth**
  - Fully franked grossed up dividend yield of 6.3% p.a based on 31 Dec 2019 closing price of \$0.55 per share

# 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>	Wholesale investors only
Separately Managed Accounts (SMAs)	<ul style="list-style-type: none"> <li>• Clime Balanced Portfolio</li> <li>• Clime Growth Portfolio</li> <li>• Clime High Growth Portfolio</li> <li>• Plus bespoke SMA model portfolios</li> </ul>	Wholesale and Retail investors
Managed Funds	<ul style="list-style-type: none"> <li>• Clime 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>	Wholesale and Retail investors (Clime Fixed Interest Fund wholesale)
Listed Investment Company	<ul style="list-style-type: none"> <li>• Clime Capital Limited (ASX: CAM &amp; CAMG)</li> </ul>	Wholesale and Retail investors

# Outstanding Investment Performance

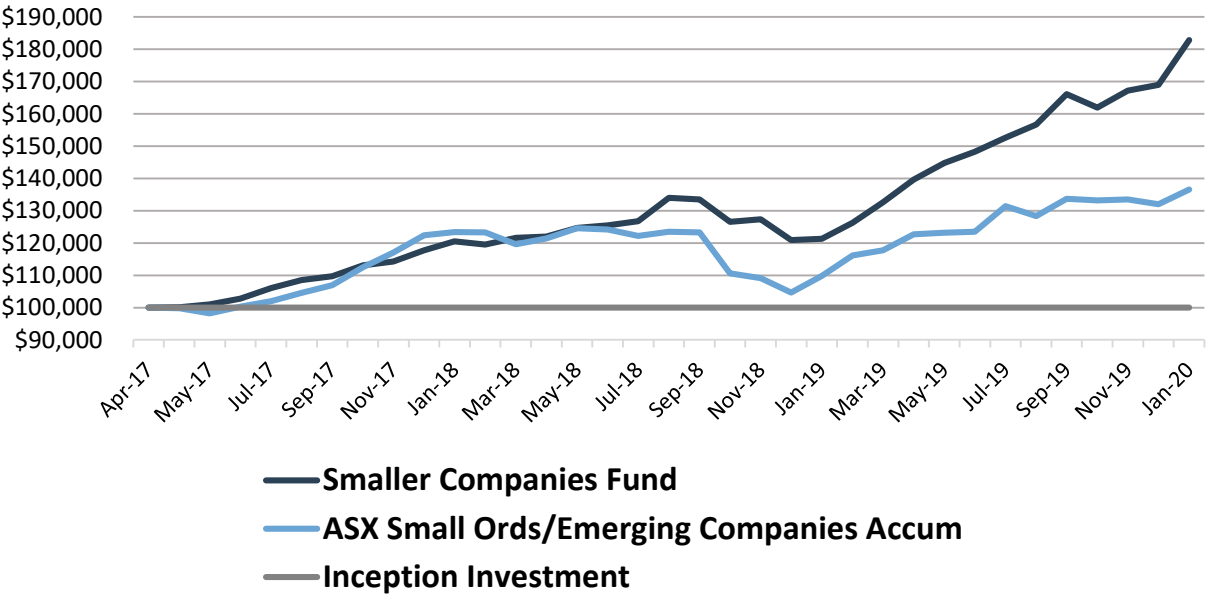
Australian Income Fund vs RBA Cash Rate + 3%



7.00% annualised net return (after fees) since inception

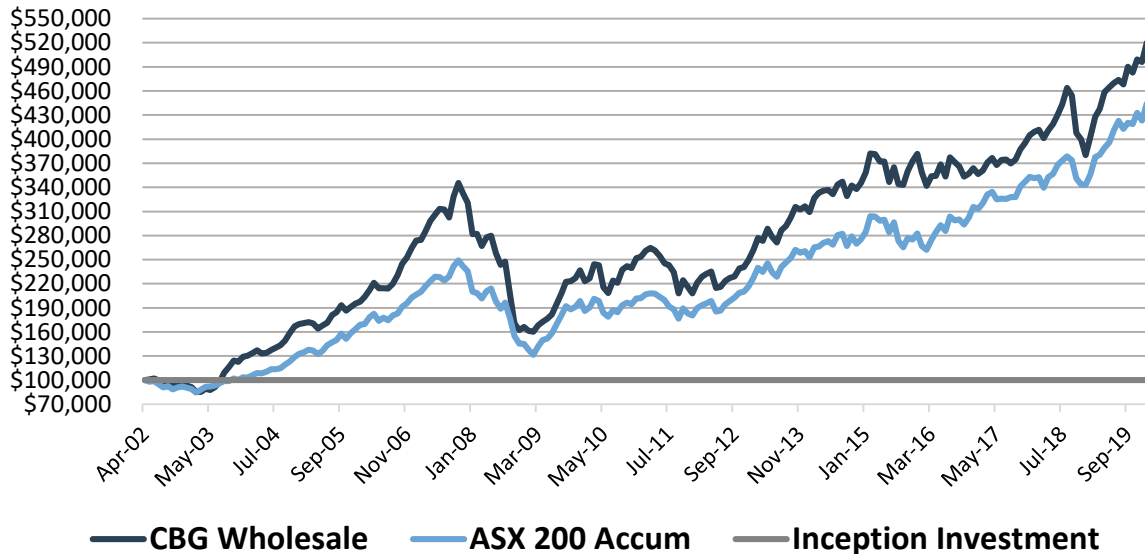
24.31% annualised net return (after fees) since Inception

Clime Smaller Companies Fund vs ASX Small Ords / Emerging Companies Accum



# Outstanding Investment Performance

CBG Wholesale Fund vs ASX 200 Accum



9.70% annualised net return (after fees) since inception

Ranked #5 performing Fund in 2019 in Mercer's annual survey

Mercer Australian shares fund manager rankings

All share funds - 1 year	(%)	Long only - 1 year	(%)
Selector High Conviction	39.2	Selector high Conviction	39.2
Regal Long Short	38.2	ECP All Cap	36.4
ECP All Cap	36.4	Collins Street Value	36.2
Collins Street Value	36.2	Hyperion Australian Growth	34.1
BlackRock Equitised Short	34.0	<b>CBG Australian Equities</b>	<b>34.0</b>

Long only - 3 years	(%)	Long only - 5 years	(%)
Selector High Conviction	22.8	Selector High Conviction	19.0
Panther Trust	19.4	Bennelong Concentrated	18.2
Platypus Australian Equities	18.3	Macquarie Australian Shares	17.2
Australian Eagle Growth	17.9	Australian Eagle Growth	15.6
Bennelong Concentrated Equities	16.9	Platypus Australian Equities	14.6

All rates before tax and management fees. Returns are annualised for periods exceeding one year. SOURCE: MERCER

# Fund Ratings



Clime Smaller  
Companies Fund



Clime Australian  
Income Fund



Clime  
International Fund



Clime CBG  
Australian Equities Fund

# Investment Product Availability

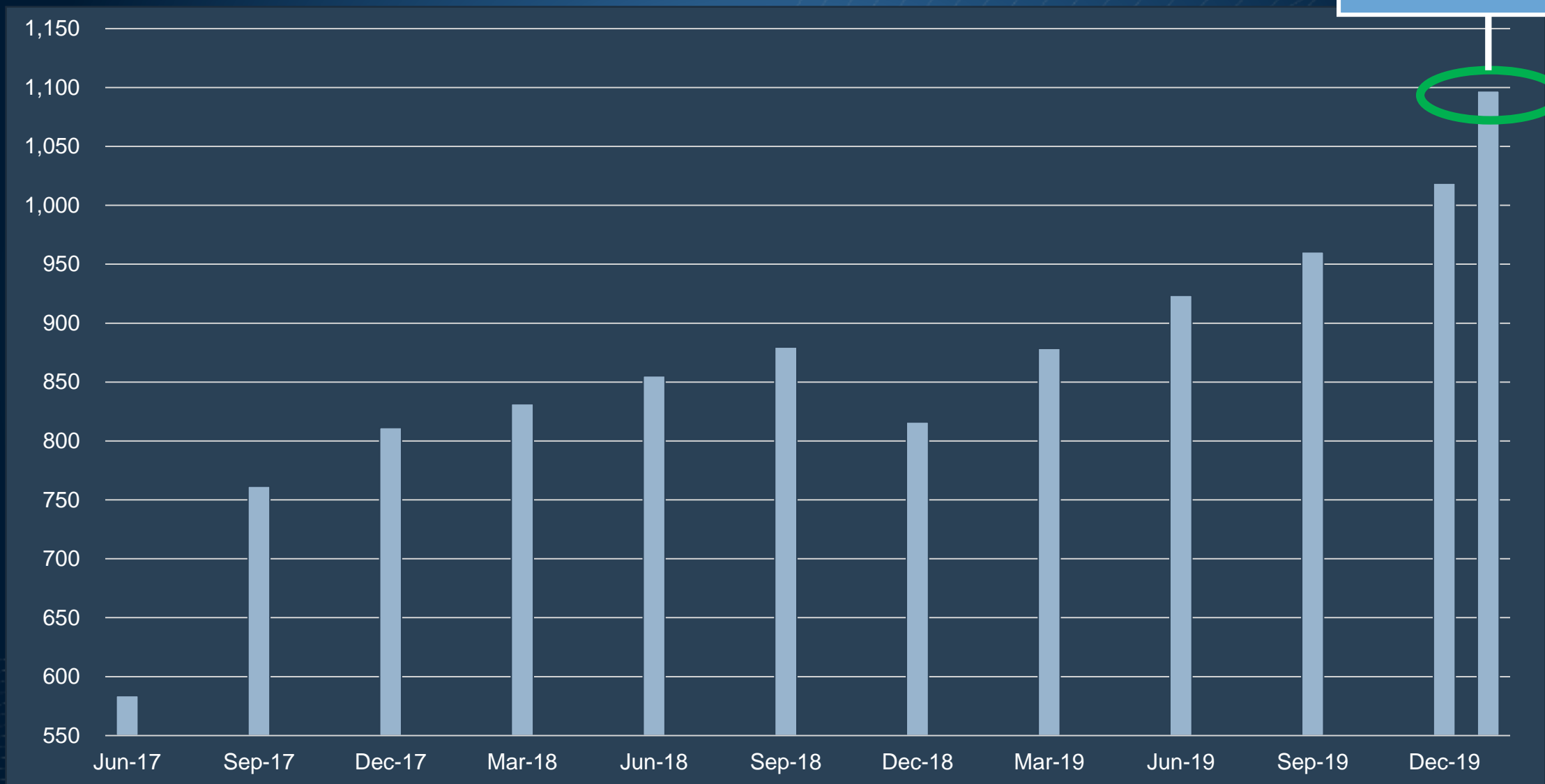
Investment Product	Investment Platforms			
	Macquarie Wrap	Hub 24	Netwealth	Praemium
Clime All Cap Australian Equities Fund (Formerly CBG Australian Equities Fund)	✓			
Clime Smaller Companies Fund		✓	✓	
Clime Australian Income Fund		✓	✓	
Clime International Fund			✓	
Clime SMAs • Multi Asset Balanced • Multi Asset Growth • Multi Asset High Growth				✓
Sterling Clime SMA's • Conservative/ pension • Balanced • Balanced/ Pension • Growth • Australian Equities			✓	✓

Clime investment products are also available on a number of Dealer Group Approved Product Lists

- Clime Smaller Companies Fund and Clime Australian Income Fund  
(4 Dealer Groups)
- Clime International Fund  
(3 Dealer Groups)
- Clime CBG Australian Equities Fund  
(2 Dealer Groups)
- Separately Managed Accounts  
(2 Dealer Groups)

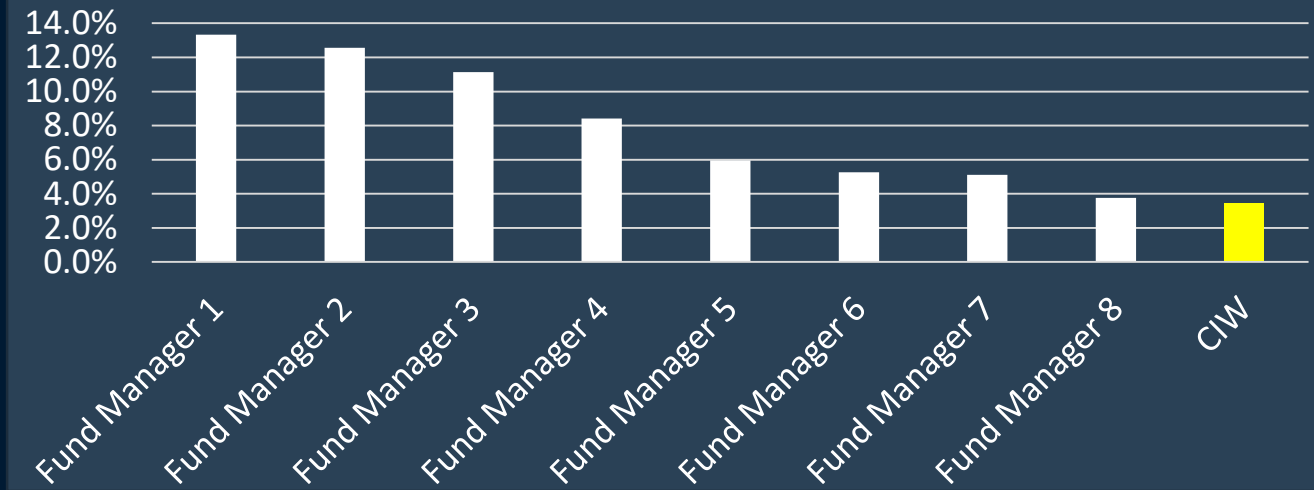
# Clime Group Gross FUM (\$M)

\$1.097Bn at 14/2/20

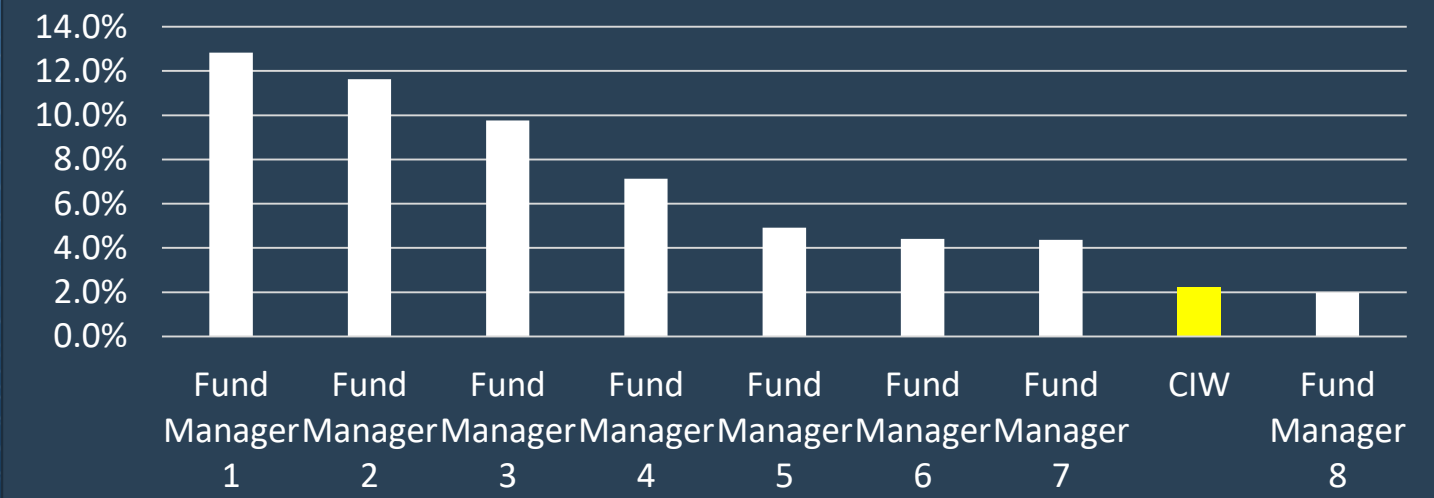


# Peer Comparisons

Market Cap as a percentage of FUM



Enterprise Value as a percentage of FUM



# Outlook

- Continued disciplined strategy execution
- Continued 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