

26 July 2024

Company Announcements
Australian Securities Exchange

Clime Investment Management Limited (ASX:CIW)

June Quarter Update

Highlights

- **Group FUM \$1.6 billion, up 21.5% during Q4**
- **Madison Sale Completed**
- **Business refocussed on core functions**

During the final quarter of FY24, the business completed the sale of the Madison financial services licence and has refocused on the core business of funds and individual account management.

With the clearer focus on funds management, Clime was able to secure an additional **\$60 million** of inflows to the Clime Income Fund and the investment management mandate for Clearwater, a multi-manager fund established and supported by Victorian Financial Planning Group DMG (**\$240 million**) towards the end of Q4. Combined, these two mandates are expected to deliver \$0.8 million of annual recurring revenue in FY25.

In line with the company's focus on delivering a return to material profits, the board and executive continue to review the operations and consider further opportunities for cost savings and redeployed investment towards growth areas.

Funds Under Management and Mandates (FUM) as at 30 June 2024 lifted to \$1.6 billion

As previously announced, Madison Financial Group Pty Ltd and WealthPortal Pty Ltd were divested on 28 June 2024 to Infocus Wealth Management Limited. The reported Funds Under Advice have been adjusted due to this divestment.

The following table provides specific detail of FUM across the CIW Group and changes over the June quarter:

FUNDS UNDER MANAGEMENT & MANDATES (Unaudited)	30-Jun-24 \$mill	31-Mar-24 \$mill	Change \$mill	Change %
Individually Managed Accounts (IMAs)	\$492	\$527	(\$36)	(6.8%)
Clime Capital Limited (Listed Investment Co.)	\$155	\$159	(\$4)	(2.6%)
Managed Funds	\$271	\$223	\$48	21.5%
Separately Managed Accounts (SMAs)	\$316	\$291	\$26	8.8%
Mandates and directed FUM	\$356	\$108	\$248	322%
TOTAL FUM	\$1,590	\$1,308	\$282	21.5%

FUNDS UNDER ADVICE (FUA) & DIRECTION				
Private Wealth – FUA & direction	\$984	\$965	\$19	2.0%
TOTAL FUA	\$984	\$965	\$19	2.0%

Shareholders should note that the sale of Madison was of the licensing business and WealthPortal only. It did not include Clime Private Wealth (the company's financial advisory offer) and Pro-Active Portfolios (Madison's former SMA offer with \$190 million of FUM) which remain with Clime.

Investment Management

Clime continues to enhance its suite of portfolios, seeking to deliver strong outcomes for our advised and direct clients.

Highlights for the quarter and financial year were the strong returns achieved in the Clime All Cap Fund and the Clime Small Companies Fund with the portfolios returning 15.40% and delivering 15.82% (returns gross of fees and taxes) respectively. The strong returns not only saw the group achieve performance fees in FY24 but supports the group strategy to achieve growth in funds under management in the year ahead.

Across the broader suite of products at Clime, we moved through the final quarter of FY24 year with strong momentum with a doubling in FUM in the Clime Australian Income Fund (to over \$100m) and continued growth within our SMA products. Continued expansion in distribution across new platforms should support ongoing growth across our direct equity and multi-asset SMA's.

Towards the end of the financial year, we are pleased to confirm that we have been appointed to manage a suite of Multi Asset strategies (as noted above), aligning with our core competencies in portfolio construction and research.

Outlook and positioning for FY25

The recent sale of Madison offers an opportunity to reflect on the market, the regulatory environment, our core competencies and the strategic choices before us.

Clime, at its heart is a value manager focused on offering both individually managed accounts and easily accessible managed funds. During our long history we have always worked best when we focus on value creation, education, and service excellence.

At the date of this report the company has \$2million in free cash, \$1.7million in listed investments and \$2million in unlisted notes with no debt.

The audited FY24 financial report will be presented to shareholders in late August.

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

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