

22 October 2021

Company Announcements
Australian Securities Exchange

September Quarter Update (Financial Year 2022)

The Board of Clime Investment Management Limited (CIW or the Company) is pleased to announce FY22 has started strongly with positive fund inflows in the September quarter. This builds on the momentum generated in the second half of FY21, and follows a period of strong investment performance across the Company product suite.

Shareholders will note the appointment of four new Directors to the Company Board following an external review of the skills and capabilities required by the Company to meet the challenges and opportunities presented to our business. The depth and breadth of expertise of these Directors across a diverse range of industries and markets, will further progress the growth aspirations of the Company, including its advice subsidiary, Madison Financial Group.

The Company continues to identify collaborative opportunities to support our strategic objective of educating and serving our clients to create better financial and life outcomes. These opportunities extend across both Clime and Madison Financial Group networks.

The Board thanks our shareholders for supporting the successful institutional placement and associated Share Purchase Plan (SPP), which resulted in \$4.1 million of new capital being raised by the company at 62 cents. The capital raised will be allocated to strategic growth opportunities and initiatives aligned to our core objectives of providing expert advisory and investment services to our clients. These opportunities and initiatives are at various stages of due diligence, targeted for completion by December 2021, providing returns to shareholders in the latter half of FY22 and beyond.

A recent initiative is a joint venture with Ralton Asset Management, led by Will Riggall. Working alongside the Clime Investment team, led by Adrian Ezquerro, the joint venture expands our Managed Account suite of portfolios, creating greater flexibility and depth of investment solutions for our clients and Advisers. The Ralton Managed Account portfolios are rated by Zenith and available across leading platforms.

Funds Under Management and Advice (FUM&A) as at 30 September exceeds \$5.3 billion.

This comprises of:

- Direct funds under management via IMAs, SMAs and managed funds of \$1.2 billion;
- Funds under advice within the Madison network of \$4.1 billion; and
- Funds under administration on the WealthPortal platform.

The table below provides specific detail of FUM&A across the Clime Group and percentage change since June 2021.

FUNDS AND INSURANCE PREMIUMS UNDER MANAGEMENT AND ADVICE (Unaudited)	30 Sep 2021	30 Jun 2021	Change	% change
FUNDS UNDER MANAGEMENT				
Individually Managed Accounts (IMAs)	\$581 million	\$556 million	\$25 million	4.5%
Clime Capital Limited (Listed Investment Company)	\$158 million	\$163 million	(\$5 million)	(3.1%)
Managed Funds and mandates	\$372 million	\$362 million	\$10 million	2.8%
Separately Managed Accounts (SMAs)	\$99 million	\$98 million	\$1 million	1.0%
TOTAL FUNDS UNDER MANAGEMENT	\$1,210 million	\$1,179 million	\$31 million	2.6%
FUNDS AND INSURANCE PREMIUMS UNDER ADVICE				
Funds under administration – WealthPortal ¹	\$819 million	\$833 million	(\$14 million)	(1.7%)
Funds under Advice	\$3,288 million	\$3,057 million	\$231 million	7.6%
Insurance Premiums Under Advice	\$46 million	\$45 million	\$1 million	2.2%
TOTAL FUNDS AND INSURANCE PREMIUMS UNDER ADVICE	\$4,153 million	\$3,935 million	\$218 million	5.5%
TOTAL FUM&A	\$5,363 million	\$5,114 million	\$249 million	4.9%

Investment Performance

Clime has a quality focus with strong valuation discipline. Clime believes that attractive long-term investment returns can be achieved through the implementation of a disciplined investment process, using bottom-up fundamental analysis and with a focus on high quality companies.

The following Clime investment portfolios outperformed their relevant benchmarks for the three-year period ending 30 September 2021:

Strategy	Investment type	3-year performance vs benchmark Since inception vs benchmark
Australian Equities		
Clime Smaller Companies Fund	Managed Fund Wholesale and Retail investors	Outperforming
Australian Income		
Clime Australian Income Fund	Managed Fund Wholesale and Retail investors	Outperforming
Clime Australian Income	Individually Managed Account (IMA) Wholesale investors only	Outperforming
Clime Fixed Interest Fund	Managed Fund Wholesale investors only	Outperforming ²
Clime Balanced Ethical Income	Individually Managed Account (IMA) Wholesale investors only	Outperforming

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 Inception for this portfolios is less than three years.

Clime's suite of portfolios continues to deliver sound risk-adjusted returns for clients. Clime's All Cap and Smaller Companies strategies have delivered outperformance since their respective inception dates, while Clime's income products remain a particular highlight. All income funds have outperformed their respective benchmarks over all time frames beyond one month. These return outcomes have been achieved while also delivering on objectives related to income reliability and lower relative volatility.

Clime Capital Limited (ASX: CAM), of which Clime is the Investment Manager, delivered a record FY21 result and declared both an ordinary and special dividend during the quarter. This was the fifth consecutive quarterly dividend increase since June 2020. CAM's core objective is to provide investors with a dividend yield and franking rate that is consistently higher than that achieved by the S&P/ASX 200 Index. CAM has paid a quarterly fully franked dividend to shareholders every quarter since 2009.

As at 30 September 2021, CIW had approximately \$13 million of liquid capital and we retain substantial investment in CAM. With CIW's current share price of \$0.64 per share, CIW is capitalised at \$47 million as at 21 October 2021.

We thank shareholders, investors, clients, and Advisers for their ongoing support of the Company.

Annick Donat
Chief Executive Officer

This document is approved by the Board of Directors of Clime Investment Management Limited for release to the ASX. For enquiries, please contact John Abernethy on 1300 788 568 or via email at info@clime.com.au.