

ASX RELEASE

MARCH QUARTER UPDATE - CLIME INVESTMENT MANAGEMENT ("CIW")

The Board of CIW is pleased to update shareholders with developments for CIW in the March Quarter, 2015.

Once again we report on the key business indicators for shareholders in CIW. These are:

- a. Funds under management (FUM),
- b. Subscribers in our joint venture "*StocksInValue*", and
- c. Returns from all operations including balance sheet investments.

Each of these are addressed below.

FUM

As at 31 March the group's gross FUM has grown to just over ***\$630 million***.

FUM, as at 31 March, is split approximately as follows:

1. Clime Discrete Share Portfolio (DSP) accounts - \$424 million,
2. Clime Capital Limited - \$95 million, and
3. Clime Australia Value Fund - \$47 million, and
4. Clime International Fund - \$65 million

The company is pleased to report strong interest in our income focused DSP offer in the March quarter. The company is also particularly pleased with progress of the Clime International Fund (CIF). FUM has increased by \$12m (22%) in the quarter. CIW seeded this fund with a \$1 million investment on its formation in March 2014. The fund has delivered a healthy 18.3% one year return.

StocksInValue (SIV)

SIV is a joint venture with the Eureka Report. It provides members with access to consistent and independent company stock valuations. SIV's cash revenue from member subscriptions has grown significantly with member numbers now at a healthy count of 2,024 (1450 at commencement of joint venture).

SIV is specifically directed towards the fast growing self-directed superannuation market. We launched international stock valuations early this year to augment domestic stock valuations, and it already has some 100 subscribers.

Capital management and Returns

The company paid an interim dividend of \$1.5 million in March and still retained net cash of approximately \$5 million at the end of the month.

CIW maintains a substantial equity stake in Clime Capital Limited with its investment in ordinary shares having a market value of approximately \$5.9 million.

CIW also retains a significant investment in Jasco Holdings Limited (Jasco) of approximately 23% of its issued capital. The investment is equity accounted and was valued at \$8m as at 30 June 2014. Since 30 June we have received \$1.3m in fully franked dividends from Jasco and the equity value is expected to increase further in the year to 30 June 2015.

2014/15 Financial Progress

The operating financial result for the business to date is ahead of last year and ahead of budget.

The mark to market impact of our listed investments portfolio represents a modest decrement to the 30 June market values, offset by an uplift in our investment in the CIF.

Jasco is expected to contribute positively to the Group result.

We will provide a dividend statement in August accompanying the full year results.

A handwritten signature in black ink that reads 'Richard Proctor'.

Richard Proctor
Company Secretary

For any enquiries concerning the update, please contact Richard Proctor (02) 8917 2142 or at Richard@clime.com.au.