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Net Tangible Assets Report

December 2018



Portfolio Update

One thing is for certain, investors dislike uncertainty.

Geopolitical tensions which have been a feature of much of the 2018 calendar year, definitively spilled over during the month of December to erode both business and consumer confidence and in the process fuel concerns of an economic recession. The dramatic shift in risk aversion saw a corresponding surge in demand for perceived safe haven investments and a marked selloff in riskier growth-focused assets. Lower levels of liquidity in the lead up to and during the holiday season amplified the extent of market movements.

At the centre of this spill over from (largely known) geopolitical concerns to the real economy was US President Donald J. Trump. The three key US market and macro issues; US Federal Reserve tightening program, Democrats gaining control of the House of Representatives and US-China trade and tariff tensions were all meaningfully escalated by President Trump. Open criticism of US Federal Reserve Chairman Jerome Powell, left Powell few options other than holding firm to the Fed's rate raising program in December. The US federal government shutdown on 21st December 2018, was driven by Trump's unwavering commitment to funding a border wall. And despite an apparent US-China trade truce agreed at the G20 Summit in Argentina, the arrest of prominent Huawei executive (and daughter of Huawei's founder) shortly thereafter in Canada and calls for her extradition to the US, inflamed an already tenuous trade situation.

While global and local uncertainties remain (and as outlined above in some areas have increased), we continue to be disciplined in the application of our investment process, and are utilising more volatile market conditions to very selectively increase exposure in what we believe are high quality investments, trading at attractive prices, where we believe risk taken is appropriately compensated. This investing landscape also further sharpens our focus on seeking out, and within the portfolios demanding, attributes we believe define genuine quality.

More broadly, as central banks remain on path of gradual tightening, we believe investors will likely continue to experience a bumpy return ride. We expect market volatility and potential weakness to continue for a while longer as asset markets gradually adjust to an incrementally higher cost of money.

Acknowledging current geopolitical and resulting real economy uncertainties, our view is that the market environment remains supportive of steady but not spectacular growth. As was the case over calendar 2018, we'll continue to utilise opportunities created by market volatility to selectively build out exposures to quality investments.

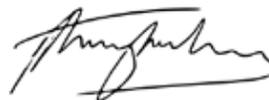
The following changes were made to the portfolio for the month of December:

- **Australian Equity Large Cap Sub-Portfolio**: Exited position in CSL (CSL).
- **Australian Equity Mid Cap Sub-Portfolio**: Added to existing position in Orora (ORA).
- **Australian Equity Small Cap Sub-Portfolio**: Added to existing positions in Audinate (AD8), Austal (ASB), Lycopodium (LYL) & Macquarie Telecom, reduced exposure to Collins Foods (CKF) and exited LiveTiles (LVT).
- **International Equity Sub-Portfolio**: Added to existing positions in Baidu (BIDU) & Samsung (SMSN), exited Facebook (FB).

Key contributors and detractors to the CAM return for the month were:

- **Australian Equity Large Cap Sub-Portfolio**: Positive contributors BHP (+11.5%) & Rio Tinto (+7.1%), detractor ANZ Banking Group (-8.7%).
- **Australian Equity Mid Cap Sub-Portfolio**: Key detractors Bingo Industries (-16.4%), Afterpay Touch Group (-14.0%) & Speedcast International (-11.3%).
- **Australian Equity Small Cap Sub-Portfolio**: Positive contributors Austal (+4.9%), 1300 Smiles (+3.7%) & RPM Global (+3.3%), key detractors Collins Foods (-14.8%), Hub24 (-14.5%) & Jumbo Interactive (-12.0%).
- **International Equity Sub-Portfolio**: Positive contributor ProShares Short S&P500 (ETF) (+13.4%), detractors Baidu (-12.6%), Facebook (-3.6%) & Alphabet (-2.3%).
- **Australian Income Sleeve** is currently generating an annualised yield of 7.7% p.a.

Thank you for your continued support of Clime.



Anthony Golowenko
Chief Investment Officer

Net Tangible Assets (NTA)

	December	November	October
NTA before tax	\$0.82 ²	\$0.87	\$0.88 ¹
NTA after tax	\$0.84	\$0.87	\$0.88
CAM Share Price	\$0.85	\$0.88	\$0.88
Yield Excl. Franking	5.9%	5.7%	5.7%
Yield Incl. Franking	8.4%	8.2%	8.1%

¹On 5 September 2018, the Board declared a fully franked dividend of 1.25 cents per share in respect of the Company's ordinary shares for the period 1 July 2018 to 30 September 2018. This dividend was paid on 26 October 2018. NTA before and after tax disclosed above for October 2018 is after, and September is before, the effect of this dividend payment.

²On 19 December 2018, the Board declared a fully franked dividend of 1.25 cents per share in respect of the Company's ordinary shares for the period 1 October 2018 to 31 December 2018, payable on 24 January 2019. NTA before and after tax disclosed above for December 2018 is before the effect of this dividend payment.

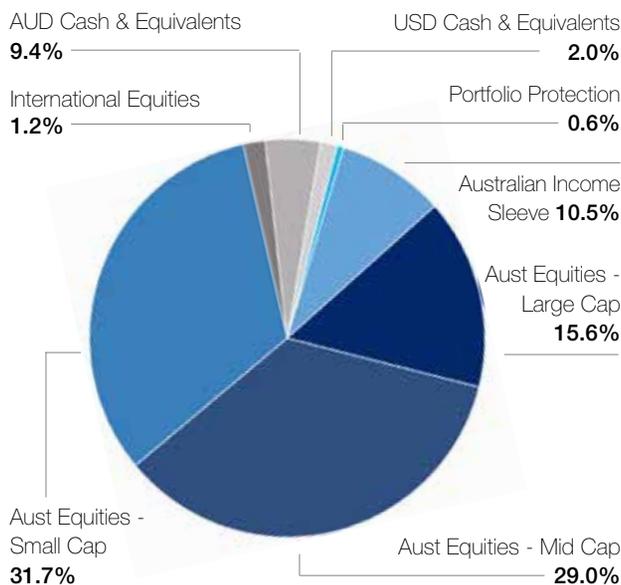
"We continue to selectively adjust portfolio positionings to deliver strong risk-adjusted total returns for our shareholders."

NTA after tax	Total portfolio including cash	Rolling 12 month dividend	Historical dividend yield
\$0.84	\$96.7m	5.0cps	5.9%

Company Overview (\$m)

Australian Equities	\$73.84
Australian Income Sleeve	\$10.17
International Securities	\$1.71
AUD Cash & Equivalents	\$9.07
USD Cash & Equivalents	\$1.93
Total Portfolio including Cash	\$96.72
Notes Payable at face value of \$0.96	(\$21.39)
Net Tangible Assets	\$75.33

Gross Asset Allocation



Top Holdings (% of Gross Assets)

Australian Equities - Large Cap

Rio Tinto Limited	3.92
BHP Limited	3.19
Ancor Limited	3.06

Australian Equities - Mid Cap

Credit Corp Limited	3.70
Webjet Limited	3.66
Afterpay Touch Group Limited	3.56
Janus Henderson Group	2.97

Australian Equities - Small Cap

Navigator Global Investments Limited	3.50
Hansen Technologies Limited	3.44
Jumbo Interactive Limited	3.33

International Equities

Samsung	0.56
Baidu	0.35
Alphabet Inc Class A	0.31

AUD Cash 9.37

USD Cash 2.00