



September Quarter: \$4.3m pre-tax profit

The Directors of Clime Capital Limited are pleased to report an unaudited pretax profit of \$4.3 million for the September Quarter.

This profit result will allow Directors to add to the profit reserves of the company to secure ongoing quarterly dividends.

The company is focused on delivering solid quarterly dividends and steady capital growth through portfolio construction across large caps, mid caps, small caps and international sub portfolios.

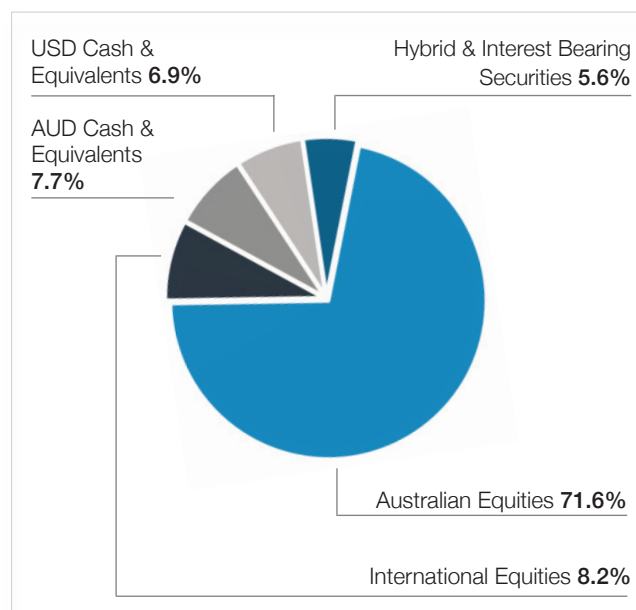
Top Holdings (Weightings %)

<i>Australian Equities - Large Cap</i>	
Australia & New Zealand Banking Group	5.17
National Australia Bank	4.19
Commonwealth Bank of Australia	4.08
Caltex Australia	3.10
<i>Australian Equities - Mid Cap</i>	
APN Outdoor Group	4.59
Ardent Leisure Trust Group	3.38
Gateway Lifestyle	3.22
<i>Australian Equities - Small Cap</i>	
Nick Scali	2.99
Citadel Group	2.42
Elanor Investors Group	2.13
<i>International Equities</i>	
Oracle Corporation	1.25
Baidu.com	1.16
Cognizant Tech Solutions	1.14
<i>AUD Cash</i>	
	7.67
<i>USD Cash</i>	
	6.87
Total	53.36

Net Tangible Assets (NTA)

	September	August	July
NTA before tax	\$0.92 ^{1,2,3}	\$0.92 ^{1,2}	\$0.90 ¹
NTA after tax	\$0.92	\$0.93	\$0.91
CAM Share Price	\$0.80	\$0.80	\$0.79
Yield Excl. Franking	6.0%	6.0%	6.1%

Asset Allocation



Company Overview (\$m)

Australian Securities	\$63.09
International Securities	\$6.72
AUD Cash & Equivalents	\$6.27
USD Cash & Equivalents	\$5.62
Total Portfolio including cash	\$81.70

¹ Fully diluted NTA per share incorporates the fully paid ordinary shares converting preference shares on issue and bonus entitlements due to be paid on conversion of the preference shares. Converting Preference shareholders will accrue the bonus issue and upon conversion will receive 1.387 Ordinary Shares for every Converting Preference Share. Converting Preference shareholders will mandatorily convert into ordinary shares in April 2017.

² On 23th August 2016, the Board declared a fully franked dividend of 4.5 cents per share in respect of the Company's converting preference shares and a fully franked ordinary dividend of 1.20 cents per share for ordinary shareholders for the quarter ending 30 September 2016. These dividends will be paid on 20th and 21st October 2016. NTA before and after tax disclosed above for August and September are before the effect of this dividend payment.

³ In accordance with the on-market buy-back scheme, the company bought back 32,000 preference shares at an average price of \$1.209 during the month.

Ordinary Shares Overview (ASX:CAM)

Share Price (at month end)	\$0.80
Rolling 12 Month Dividend	4.8cps
Historical Dividend Yield	6.0%
Percentage Franked	100%
Grossed Up Yield	8.5%
Dividend Reinvestment Plan	Yes

Preference Shares Overview (ASX:CAMPA)**

Share Price (at month end)	\$1.22
Rolling 12 Month Dividend	18.0cps
Historical Dividend Yield	14.8%
Percentage Franked	100%
Grossed Up Yield	21.1%
Dividend Reinvestment Plan	No

** CAMPA will mandatorily convert into ordinary shares in April 2017.

Total Shareholder Returns, January 2009 to September 2016: \$10,000



Clime Capital Limited (ASX:CAM)

Data Source: Thomson Reuters

Summary

With the dust settling on August reporting season, the month of September proved to be a more subdued affair in domestic markets, as evidenced by the total return of 0.4% from the All Ordinaries Accumulation Index. The Clime Capital portfolio delivered a return of -0.1% (net of fees) for the month, largely reflecting a challenging month in the International Equity Sub-Portfolio. With that noted, the Clime Capital portfolio delivered a solid return of 5.4% (net of fees) for the September quarter.

The following changes were made to the portfolio for the month of September

- Australian Equity Large Cap Sub-Portfolio: Added to existing positions in ANZ, CTX, NAB and QBE.
- Australian Equity Mid Cap Sub-Portfolio: Added to existing positions in APO and CVO, decreased the weight of CCP and introduced a new position in OFX.
- Australian Equity Small Cap Sub-Portfolio: Added to existing positions in HFA and ELD, introduced a new position in CGL.
- International Equity Sub-Portfolio: Added to existing Citigroup (C) position, decreased CTSH and WFC positions, introduced a new position in CTRP and exited positions in AXP, MA, PCLN and RHHBY.

We segment the Company into four sub-portfolios with each respective portfolio purposefully designed to deliver stated investment objectives. Key contributors and detractors to the CAM return for the month were:

- Australian Equity Large Cap Sub-Portfolio: Positive contributors ANZ (2.7%), CTX (2.4%), CBA (1.9%), detractors SEK (-2.0%) and QBE (-6.4%).
- Australian Equity Mid Cap Sub-Portfolio: Positive contributors CCP (12.2%), AAD (9.5%), OFX (7.3%), APO (6.2%), detractors QUB (-7.2%), HGG (-8.2%), GTY (-8.6%)
- Australian Equity Small Cap Sub-Portfolio: Positive contributors IMF (12.1%), ELD (5.5%), detractors CKF (-2.6%), HFA (-3.8%), APD (-3.9%).
- International Equity Sub-Portfolio: Positive contributors BIDU (4.5%), CTRP (2.1%), detractors CTSH (-18.4%), WFC (-14.4%), ORCL (-6.4%).

Consistent with recent commentary, we continue to view markets as marginally expensive. We believe the portfolio remains well positioned with approximately 20% of the portfolio allocated to cash and income securities. In our view, this provides ample liquidity to take advantage of opportunity should it emerge in the coming months.

Copyright © 2016 Clime Capital Limited (ASX:CAM). All rights reserved. The information provided in this document and climecapital.com.au is intended for general use only. The information presented does not take into account the investment objectives, financial situation and advisory needs of any particular person nor does the information provided constitute investment advice. Under no circumstances should investments be based solely on the information herein. Climecapital.com.au is intended to provide educational information only. Please be aware that investing involves the risk of capital loss. Data for graphs, chart and quoted indices contained in this report has been sourced by IRESS Market Technology, Thomson Reuters, Clime Asset Management and StocksInValue unless otherwise stated. Past performance is no guarantee of future returns.