



Investment Approach

Clime's investment approach seeks to deliver strong risk adjusted total returns to investors over the long term. Clime focuses on delivering consistent strong results by identifying undervalued companies and, via the macroeconomic overlay, enhancing return and managing risk. We strive to ensure that risks taken in the portfolio are appropriately compensated and employ a decision framework of:

- Capital deployed;
- At what risk;
- For what likely outcome.

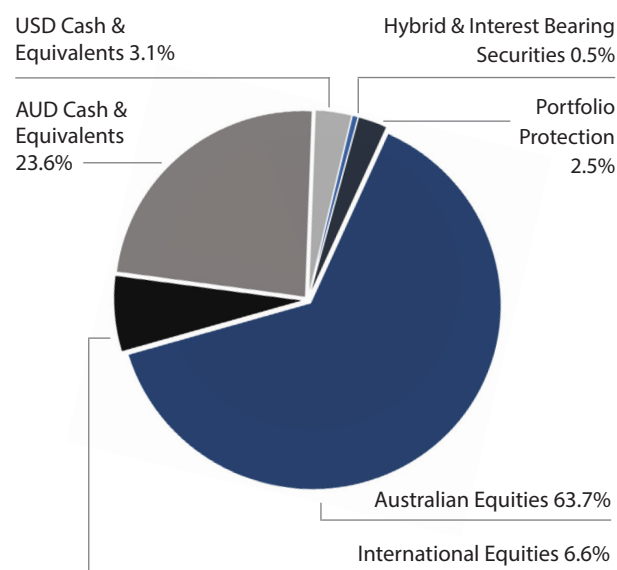
Top Holdings (Weightings %)

Australian Equities - Large Cap	
Australia & New Zealand Banking Group	3.35
SEEK Limited	2.98
National Australia Bank	1.70
Australian Equities - Mid Cap	
Crown Resorts Limited	4.26
APN Outdoor Group	4.19
Henderson Group	3.97
Qube Holdings	3.56
Australian Equities - Small Cap	
Nick Scali	3.40
Speedcast International Limited	3.08
Collins Foods Limited	3.08
International Equities	
iShares Russell 2000 ETF	1.10
China Mobile	1.02
Oracle Corp	0.98
AUD Cash	23.62
USD Cash	3.06

Net Tangible Assets (NTA)

	January	December	November
NTA before tax	\$0.91 ^{1,2}	\$0.94 ^{1,2}	\$0.90 ¹
NTA after tax	\$0.91	\$0.94	\$0.91
CAM Share Price	\$0.90	\$0.88	\$0.81
Yield Excl. Franking	5.3%	5.5%	5.9%

Asset Allocation



Company Overview (\$m)

Australian Securities	\$54.00
International Securities	\$5.34
AUD Cash & Equivalents	\$19.12
USD Cash & Equivalents	\$2.48
Total Portfolio including cash	\$80.94

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 5 December 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 31 December 2016. These dividends were paid on 24 and 25 January 2017. NTA before and after tax disclosed above for January is after the effect of this dividend payment and for December is before the effect of this dividend payment.

Ordinary Shares Overview (ASX:CAM)

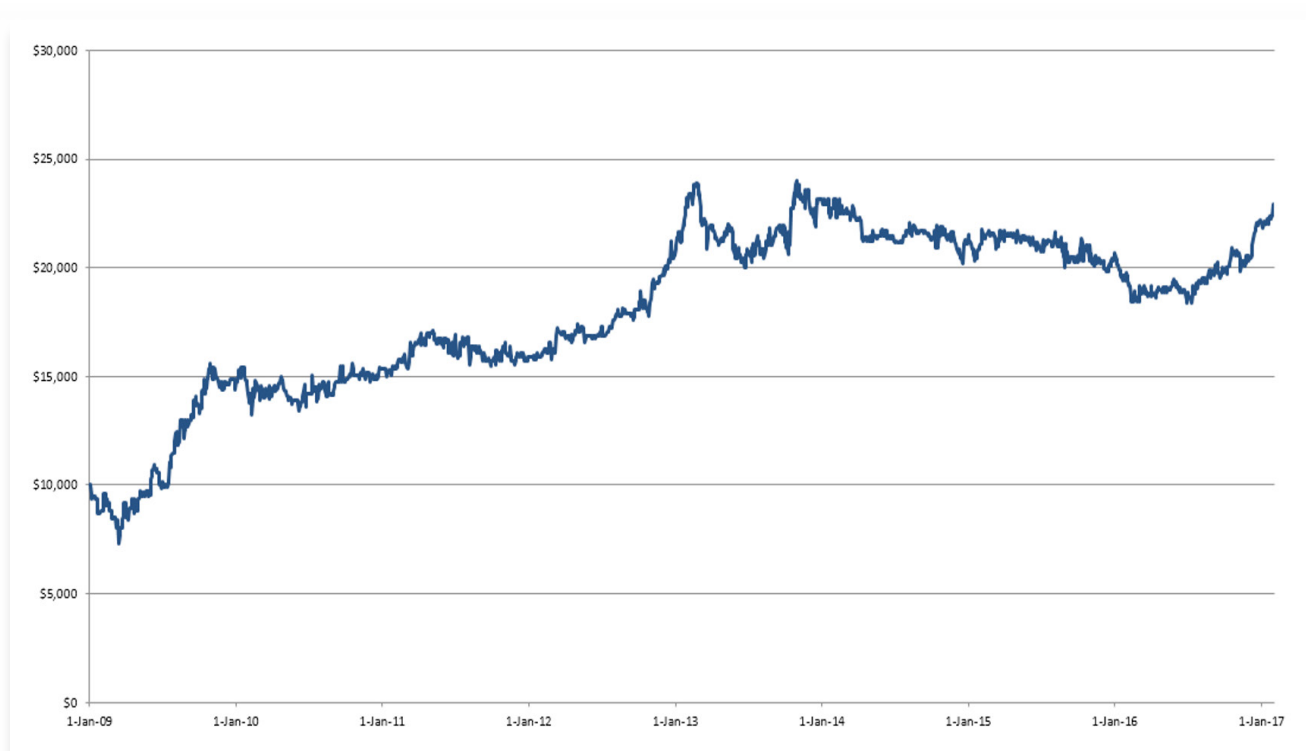
Share Price (at month end)	\$0.895
Rolling 12 Month Dividend	4.8cps
Historical Dividend Yield	5.4%
Percentage Franked	100%
Grossed Up Yield	7.7%
Dividend Reinvestment Plan	Yes

Preference Shares Overview (ASX:CAMPA)**

Share Price (at month end)	\$1.28
Rolling 12 Month Dividend	18.0cps
Historical Dividend Yield	14.1%
Percentage Franked	100%
Grossed Up Yield	20.1%
Dividend Reinvestment Plan	No

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

Total Shareholder Returns, January 2009 to January 2017: \$10,000



Clime Capital Limited (ASX:CAM)

Data Source: Thomson Reuters

Summary

The Clime Capital (CAM) portfolio delivered a net of fees return of -2.3% for the month. On a financial year to date basis, the Clime Capital portfolio has delivered a net of fees return of 7.4%.

Within the portfolio, capital allocation decisions are made across a number of asset classes. These are Australian Equities, International Equities, Hybrids and Interest Bearing Securities and both AUD and USD Cash and Equivalents. The Australian Equity asset class exposure encompasses three sub-portfolios: Large Cap, Mid Cap and Small Cap.

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

- Australian Equity Large Cap Sub-Portfolio: Exited position in CBA.
- Australian Equity Mid Cap Sub-Portfolio: Added to existing positions in AAD, GTY & HGG, decreased weighting in APO & IPH.
- Australian Equity Small Cap Sub-Portfolio: Added to existing position in VRS.
- International Equity Sub-Portfolio: Added to existing positions in MDT & IWM, introduced a new position in GOOGL and exited positions in AMGN & BAC.

We segment the Company into four sub-portfolios with each component 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 contributor CBA (2.1%) , detractors SEK (-3.0%) & ANZ (-3.7%).
- Australian Equity Mid Cap Sub-Portfolio: Detractors HGG (-10.7%), AAD (-10.3%), QUB (-5.7%) & GTY (-6.0%).
- Australian Equity Small Cap Sub-Portfolio: Positive contributors NCK (7.2%) & SDA (2.6%), detractors RCG (-8.1%), CKF (-8.4%) & HFA (-10.8%).
- International Equity Sub-Portfolio: Positive contributors CHL (3.7%), MDT (1.8%), detractors SH (S&P500 portfolio protection ETF, -6.3%) & CTSH (-10.5%).

The portfolio remains conservatively positioned heading into reporting season (for those companies with a December balance date) in anticipation of generally subdued results and/or outlook statements from industrial companies. We also continue to wait for the indigestion of the "Trump era" to present better risk reward opportunities to deploy capital.

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